REGISTERED NUMBER: 871 (England and Wales)

Annual Report and

Audited Financial Statements for the Year Ended 31 December 2023

for

GRESHAM HOUSE LIMITED
(formerly GRESHAM HOUSE PLC)

GRESHAM HOUSE LIMITED (REGISTERED NUMBER: 871)

Contents of the Annual report and financial statements
for the year ended 31 December 2023

GRESHAM HOUSE LIMITED

Company Information
for the year ended 31 December 2023

Directors:	A L Dalwood R G Robinson K J Acton C L O Haarmann G W Marshall J R S Redmayne
Secretary:	Samee Khan
Registered office:	5 New Street Square London EC4A 3TW
Registered number:	871 (England and Wales)
Auditor:	BDO LLP 55 Baker Street London W1U 7EU

Strategic Report
for the year ended 31 December 2023

The directors present their strategic report for Gresham House Limited ("the Company" or "Gresham House") and its subsidiaries (collectively "the Group") for the year ended 31 December 2023.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of Gresham House Limited. The report, together with the further information in the Directors' Report provides:

A fair and balanced review of the Company's business including:
- The development and performance of the business during the year;
- The position of the Company at the end of the year; and
- A description of the principal risks and uncertainties facing the Company.

Principle activities

Gresham House Limited (formerly Gresham House plc) is the parent company of a group of subsidiaries. Gresham House is a specialist alternative asset manager providing investors with a range of investment products across real assets, public equity and private equity. Gresham House's investment solutions aim to meet investors' long-term objectives while also positively contributing to society and our environment. The majority of the business activity of the Group consists of advising on and managing investments and managing investment funds.

Certain companies within the group are authorised and regulated by the Financial Conduct Authority ("FCA").

Business review and position

During the year, Gresham House plc and Seed Bidco Limited ("Bidco") - a new entity established and funded by Searchlight Capital Partners L.P. and its affiliates ("Searchlight") - unveiled a mutually agreed-upon final cash offer. Under this agreement, Bidco set out to acquire Gresham House's entire share capital for £11.05 per share. This proposition, strongly backed by our Board and later ratified by our shareholders on August 30, 2023, received regulatory and Court sanction approvals, culminating in a successful completion on December 19, 2023. This pivotal transaction marked Gresham House's transition from an AIM quoted company to a privately held entity and subsequently changed the Company's name from Gresham House plc to Gresham House Limited.

The results of the Group are set out on page 17. The Group total income for the financial year is £89.5 million (2022: £83.4 million).

Operating cost increased by 18.9% to £87.0 million (2022: £73.2 million) as a result of the acquisition of the Company by Searchlight, as the Company incurred costs relating to the transaction for advisors' fees and other transaction related costs, alongside other restructuring related costs from the existing business, reducing the Group net operating profit to £2.6 million (2022: £10.1 million). The Group's total comprehensive net income decreased to £2.8 million (2022: £11.4 million).

The Group's statement of financial position is set out on page 20 and shows net assets of £158.4 million (2022: £151.1 million).

Key performance indicators ("KPIs")

Management use a range of performance measures to monitor and manage the business. Summarised below are the KPIs that the business use to monitor its performance:

	2023	2022
Assets Under Management ("AUM") (1) - £ billion	**8.5**	7.8
Net core income (2) - £ million	**84.3**	77.3
Adjusted EBITDA (3) - £ million	**32.2**	27.6
Adjusted EBITDA margin (4) - %	**38.2%**	35.8%
Return on capital employed (ROCE) (5) -%	**24.9%**	19.3%

Notes
(1) Assets Under Management is defined as the fee earning value of assets managed and advised by Gresham House
(2) Net core income includes asset management income and dividend and interest income earned in the year, after deduction for rebates, distribution and fundraising costs
(3) Adjusted EBITDA is Adjusted Operating Profit before finance cost as defined in the financial results section
(4) Adjusted EBITDA margin is defined as net core income divided by Adjusted EBITDA.
(5) ROCE is defined as Adjusted EBITDA plus net performance fees, net realised gains and development activity and fair value movements in investments, less fair value movement in contingent consideration, divided by opening net assets, adjusted for any shares issued in the year.

Business Financial Performance

Gresham House primarily earns revenues from Asset Management Charges (“AMC"), which are typically a percentage of the value of the Assets Under Management (“AUM”). The Group has grown its AUM by 8% to reach £8.5 billion, up from £7.8 billion in the previous year. This £0.7 billion increase represents organic growth, delivered through successful fundraising efforts and performance across the funds managed and advised by the Group. Gresham House’s unique position in the market, characterised by its focus on specialist sectors and long-term asset classes, continues to set Gresham House apart from traditional asset managers. With approximately 87% of our AUM anchored in long-term vehicles like Limited Partnerships (LPs), listed funds, or segregated mandates, the Group maintains revenue predictability and resilience against market volatility. This is demonstrated by the LPs Gresham House manages having a weighted average contract length of c.14 years, in sectors typically less impacted by market fluctuations.

The result of this growth in AUM has increased net core income by 9% to £84.3 million (2022: £77.3 million), alongside a notable 17% increase in adjusted EBITDA to £32.2 million from the previous year's £27.6 million.

Total comprehensive net income after the deduction of tax, amortisation and other acquisition-related costs is £2.8 million (2022: £11.4 million).

Adjusted EBITDA

We present the performance of the Group using the non-GAAP adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) metric. The aim of the adjusted EBITDA metric is to show the true performance of the core asset management business through the management fee income and revenues earned, less the administrative overheads associated with delivering asset management services. The adjusted operating profit metric below highlights the performance of the core asset management business separately from performance fees and gains on the sale of development projects. The performance fees and gains on the sale of development projects are presented alongside the variable compensation costs payable as a result of their generation, to show the net impact on the Group.

The adjusted EBITDA metric thereby excludes interest and financing costs, depreciation and amortisation, exceptional items from acquisition costs and restructuring and acquisition-related share-based payments and remuneration, as they are effectively an earn out paid to the sellers of businesses acquired rather than an operating expense. In the current year the restructuring and acquisition-related costs includes those costs relating to the acquisition of the Company by Searchlight.

Adjusted EBITDA

	2023	2022
	£'000	£'000
Gross core income ****	**86,112**	79,818
Rebates, distribution costs and fundraising costs	**(1,767)**	(2,543)
Net core income	**84,345**	77,275
Administration overheads (excluding amortisation, depreciation, exceptional items and acquisition-related share-based payment and remuneration)	**(52,155)**	(49,635)
Adjusted EBITDA*	**32,190**	27,640
Adjusted EBITDA margin	**38.2%**	35.8%
Finance costs**	**(1,772)**	(560)
Adjusted operating profit	**30,418**	27,080
Adjusted operating margin	**36.1%**	35.0%
Performance fees (gross)	**-**	1,015
Variable compensation attributable to performance fees	**-**	(1,015)
Performance fees net of costs	**-**	-
Gains on development projects	**7,746**	2,249
Variable compensation attributable to gains on development projects	**(360)**	(975)
Development project costs	**(1,538)**	(698)
Net development gains	**5,848**	576
Non-core operating revenues	**3,436**	2,523
Costs relating to non-core operating revenues	**(3,054)**	(2,522)
Net non-core activity	**382**	1
Adjusted operating profit, performance fees and development project gains net of costs	**36,648**	27,656
Amortisation and depreciation	**(12,048)**	(12,359)
Impairment	**(285)**	
Acquisition and restructuring related costs**	**(11,057)**	(3,310)
Acquisition related share-based payment and remuneration charges	**(4,726)**	(1,917)
Net (loss)/gains on investments and fair value movements***	**(1,324)**	4,342
Tax	**(4,108)**	(2,874)
Operating profit after tax	**3,100**	11,539
Loss from discontinued operations	**(259)**	(177)
Total comprehensive net income	**2,841**	11,362

**A reconciliation to the consolidated profit and loss account is included in Note 10*
***Finance costs per the IFRS Statement of Comprehensive Income included £1.0 million relating to the unwind of the discount from contingent consideration. This has been reclassified as acquisition and restructuring related costs in the above disclosure as it is acquisition related.*
**** Excluding gains on development projects of £7.7 million (2022: £2.2 million).*
***** see note 1*

The adjusted EBITDA metric has increased to £32.2 million (2022: £27.6 million) and the adjusted EBITDA margin based on net core income increased to 36.1% (2022: 35.8%), demonstrating the operating leverage come through the business as we grow AUM at a faster rate than the cost base required to service the increased level of AUM, and as such remain on track to achieve 45% operating margins in line with the 2030 target.

Total net core income has increased by 9% in the year to £84.3 million (2022: £77.3 million), driven by the 9% growth in AUM in the year to £8.5 billion (2022: £7.8 billion). We present net core income to reflect the rebates, distribution costs and fundraising fees paid to deliver core income by the Group.

Administrative overheads, excluding amortisation, depreciation and exceptional items, were up 5% in the year to £52.1 million (2022: £49.6 million). This is a 5% increase year-on-year reflecting the Group commitment to continue to make investment into its platform and people in line with its business plan. This investment is expected to be a significant driver for long term future growth.

During the year, the acquisition of the Company by Searchlight incurred costs relating to the transaction for advisors' fees and other related costs, alongside other restructuring related costs from the existing business of £11.0 million (2022: £3.3 million). Acquisition related share-based payments costs also increased to £4.7 million (2022: £1.9 million), primarily as a result of all share-based schemes vesting on the change of control of the Company.

Financial position

Total equity attributable to shareholders grew by 5% to £157.3 million (2022: £150.0 million) as a result of profits generated in the year. Cash at the end of the year had increased to £75.7 million (2022: £32.2 million) primarily as a result of the Company acting as agent for the Employee Benefit Trust to settle the vesting of the share-based payments as a result of the change of control of the Company. There was an equal and offsetting amount in liabilities, which was settled in early January 2024.

Outlook

As Gresham House embarks on a new era under private ownership, the management team is refreshing the next long term strategic plan. The Group continues to target in leading and expanding its capability in specialist long-term asset sectors. The core mission continues to revolve around delivering superior investment performance for clients, a commitment that remains paramount in the Group's strategic endeavours and standing shoulder to shoulder with clients over the long term.

Acknowledging the complexities of the current economic landscape—marked by challenging interest rates, heightened inflation, and pronounced market volatility—Gresham House remains resolute in its ability to steer through these challenges. Gresham House's foundation is solid, with a portfolio anchored in the stability of private real assets and bolstered by the standout achievements in the strategic equity division. This strategic positioning ensures our readiness to navigate market fluctuations with agility and vision.

With the backing of Searchlight, which fully endorses the management team's vision and strategic goals, the Company is poised to unfold the next chapters of its journey. This partnership underscores a shared confidence in the long-term strategic aspirations and Gresham House's commitment to generating exceptional investment returns for clients.

Gresham House's expansion efforts will continue to reach across the UK, Ireland, and international markets, driven by the same skilled and passionate teams. The Group's dedication to serving clients and achieving their financial and non-financial objectives remains steadfast. As Gresham House progresses into the next decade, Gresham House will be synonymous with investment solutions that not only excel in performance but are also rigorously aligned with sustainability principles, echoing clients' values and ambitions.

Principal risks and uncertainties

Effective risk management is an intrinsic part of delivering alternative investment solutions; Gresham House's comprehensive approach to risk management fully embeds sound practices into both the management of funds on behalf of end-investors and the management of Gresham House's internal business operations on behalf of shareholders. Effective risk management is key to our success and forms part of the Group's key strategic drivers and culture.

In the past year, notable events include our transition from a public limited company to a private limited company, accompanied by an increase in leverage on the Group's balance sheet. While this transition has altered the financial structure, there are no changes to the management team and strategic direction. Rigorous financial planning and robust management practices enable the Group to navigate this transition effectively ensuring that it does not pose a significant risk to operations.

Investment underperformance of the assets under management is the biggest single risk as an alternative investment solutions provider; this risk profile has remained relatively stable throughout the year. Amidst a macroeconomic environment characterised by elevated interest rates and inflationary pressures, the Group acknowledges the potential challenges for investor returns. However, despite these headwinds, the Group has observed encouraging inflows into strategic equity products, demonstrating the continued demand for Gresham House's investment strategies. By closely monitoring market dynamics and leveraging the expertise within the Group, Gresham House remains committed to optimising portfolio performance and delivering value to its clients in these challenging conditions.

The Group invests in or alongside the funds that it manages to align itself with clients. The Group's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests, namely market price risk, credit risk, interest rate risk and liquidity risk. The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Group are summarised in Note 32.

The Directors have not identified any other market, operational, liquidity and/or climate change that are likely to materially impact the performance of the Company in the next year.

Capital Adequacy assessment

The regulated entities within the Group undergo an annual capital adequacy risk assessment exercise that ensures identified risks are quantified and the adequate capital maintained to cover the identified risks. This exercise considers but it is not limited to:

- current and forward-looking assessment of the risks and financial position of the entities over a multi-year horizon;
- applicable financial and non-financial risks and the effectiveness of internal controls to manage the likelihood and/or impact of those risks; and
- capital requirements to ensure the financial stability of the entities under base case and stressed scenarios.

The Group regulated entities' ICAAP and ICARA outputs, submitted to their respective regulators, outline the harm scenarios considered and the output of liquidity, capital adequacy, and operational resilience stress testing. In addition to assessing the financial resources required to mitigate the harms posed by the firm, management has also considered the adequacy of the firm's broader risk management processes. The Group is satisfied that these processes are operating as intended.

Task Force on Climate related Financial Disclosures ("TCFD")

The Group has published its TCFD report for 2022 and will shortly be publishing its 2023 TCFD report, which outlines how the Group consider climate-related risks and opportunities in our business operations, and how these map to the four TCFD thematic areas of Governance, Strategy, Risk Management and Metrics and Targets.

The report is aligned with the TCFD's eleven underlying recommendations. The 2022 report can be viewed at https://greshamhouse.com/wp-content/uploads/2023/03/Gresham-House-TCFD-Report-March-2023.pdf and the 2023 report will be available shortly on the Company website.

Statement on Section S172 of the Companies Act 2006

S172 of the Companies Act 2006 requires the Directors to promote the success of the Company for the benefit of members as a whole, and, in doing so, have regard for the interests of stakeholders including shareholders, clients, employees, regulators and the wider society in which it operates.

Key decisions made in the year

The Board and senior management team make many decisions in the year and the following were considered key:

Acquisition by Searchlight Capital Partners

On 17 July 2023, the Boards of Gresham House plc and Seed Bidco Limited ("Bidco"), a newly incorporated entity formed by funds advised by Searchlight Capital Partners L.P. and its affiliates ("Searchlight") for the purposes of making an offer for Gresham House, announced that they had reached agreement on the terms of a recommended final cash offer pursuant to which Bidco would acquire the entire issued and to be issued share capital of Gresham House (the "Acquisition") for £11.05 per share. This offer, which was unanimously recommended by the Board, was approved by shareholders at the General Meeting on 30 August 2023. Regulatory and Court sanction approval was received, and the Group delisted and became a privately owned Group on 19 December 2023.

Throughout this process the Board and its advisors reviewed, challenged and analysed the offer received from Searchlight with the best interest of shareholders in mind. Shareholders were provided with the appropriate level of information in the 2.7 announcement in order to make an informed decision on whether to approve the proposed acquisition of the Company by Searchlight. A proxy agent was used to ensure that a high percentage of shareholders had read the information and were able to vote accordingly at the General Meeting on 30 August 2023. The proposal was approved and led to the acquisition of Gresham House plc by Searchlight.

Investment in battery storage development projects

The Investment Committee and Board considered, reviewed, challenged and approved proposals to invest in development of battery storage projects with the aim of providing pipeline for GRID and other funds managed by Gresham House. The long-term goal remains to grow AUM and providing a pipeline to GRID and other funds is a critical part of that growth. This is also aligned with the goal of operating in markets with structural growth, in particular those areas which support the decarbonisation of the energy sector. Conflicts noted between the Group selling projects to GRID as a client have been carefully managed through the use of independent valuations experts and separate advisory and governance teams.

Shareholders

The Directors maintained regular and open communication with shareholders through investor roadshows and other shareholder communications as well as actively engaging with shareholders who have focused on specific areas such as climate change and governance throughout 2023. This was also enhanced by the process surrounding the acquisition of the Company by Searchlight.

Clients

Against the backdrop of political and environmental uncertainty and volatility, the teams maintained focus as asset managers on the core concerns of our clients and shareholders: superior and sustainable investment performance. Gresham House has developed a number of new investment solutions for clients in the year, through considered product development and segregated mandates to meet investor needs.

Gresham House continued to report in a transparent and clear manner to investors whose capital is being managed and utilise investor meetings, seminars and site visits to engage with investors. Site visits provide an opportunity to educate investors on the alternative assets in which Gresham House invests on behalf of its clients. In 2023, the Group hosted 5 site visits which included trips to forestry and sustainable infrastructure assets and continues to receive fantastic feedback from current and prospective clients on these events.

Employees

Gresham House engaged with staff through its employee survey in the autumn of 2023, achieving very high engagement at 93% of staff, and the results included a number of positive enforcements of the business and the culture, such as a 74% advocacy score, where 81% of employees feel their immediate manager encourages an entrepreneurial approach.

Gresham House maintained regular employee communication throughout the year with weekly Company-wide calls to update the team on the latest developments across the Group as well as a whole Company offsite in November to clearly explain the Group's strategic direction and the impact of Searchlight ownership.

Community

The work to engage with and support communities and charities continues. Gresham House's charity partners for 2023 were selected by the team voting for a number of charities and the Royal Society for Blind Children (RSBC) and campaign Against Living Miserably (CALM) were selected. Gresham House has raised or donated over £100,000 in the year through events such as the London Marathon, Race the Thames, and Gresham House contributed directly and through the GAYE matching scheme.

Gresham House is committed to ensuring that all employees can undertake volunteering activities and are supported throughout their endeavours. The Group's volunteering policy provides all employees with two paid days off annually to participate in a volunteering activity or project. During 2023, Gresham House has worked to promote and encourage the use of this policy where 83% of employees believe that Gresham House makes a positive contribution to our chosen charity and volunteering partners (2022: 81%)

A contributing factor in the selection of our partner charities is the availability of volunteering opportunities and their engagement in fundraising events.

Regulator

Gresham House has continued to increase the resourcing in its compliance and risk functions. The Group has maintained an open and responsive dialogue with the FCA through the regulatory reporting and general compliance framework. All communications from the regulator or our internal compliance team are treated with the utmost importance by the Group Management Committee and the importance of regulatory requirements is reiterated to employees.

Strategic Report (continued)
for the year ended 31 December 2023

As an ISO 9001 certified business, Gresham House maintains robust internal processes and procedures centred on delivering efficient and compliant business practices. This includes policies on the following to ensure good business conduct: market abuse, gifts and hospitality, treating customers fairly, financial crime and anti-money laundering, and data protection. Compliance updates are also provided to staff on a weekly basis on the Company wide Group call.

By Order of the Board,

S Khan

Samee Khan
Chief Legal Officer and Company Secretary
28 March 2024

5 New Street Square, London EC4A 3TW

Directors' Report
for the year ended 31 December 2023

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2023.

Results and dividends

The Group Statement of Comprehensive Income is set out on page 17 and shows the results for the year ended 31 December 2023.

The Directors did not recommend that the Company pay a final dividend for the year ended 31 December 2023 (2022:16.0 pence).

Principal activities, review of business and future developments

The review of the business and a summary of future developments are included in the Strategic report on pages 2 to 7.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are on page 4.

Directors

The present Directors are listed on page 1. The Directors who served during the period under review were:

Anthony Townsend*	Non–Executive Chairman
Tony Dalwood	CEO
Kevin Acton	CFO
Rachel Beagles*	Non-Executive
Gareth Davis*	Non-Executive
Simon Stilwell*	Non-Executive
Sarah Ing*	Non-Executive

*Retired in December 2023.

Directors' indemnity

The Company has, as permitted by the Companies Act 2006 and the Company's Articles of Association, maintained a directors' and officers' liability insurance policy on behalf of the Directors, indemnifying them in respect of certain liabilities which may be incurred by them in connection with the activities of the Company. This policy does not provide cover for fraudulent or dishonest actions by the Directors.

Share capital and voting rights

On 19 December 2023, the Group entire issued share capital was acquired by Seed Bidco Limited ("Bidco"), "), a newly incorporated entity formed by funds advised by Searchlight Capital Partners L.P. and its affiliates ("Searchlight").

Relations with shareholders

The Board recognises the importance of regular and effective communication with shareholders, particularly the need for open communication on the Company's strategy. Management had regular dialogue with the Company's major shareholders throughout the year and ensures that their views are communicated fully to the Board.

Engagement with customers, suppliers and others

The Directors are required to promote the success of the Company as a whole and, in doing so, have regard to a range of stakeholders.

In the Section 172 statement on pages 5 to 7, we have set out how we have engaged with our key stakeholders, including customers, suppliers and others in a business relationship with the Company, and how the Board has considered their interests during the year.

Financial risk management objectives

The Group's financial risk management objectives can be found in Note 32 of the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the UK. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the Directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and accounting estimates that are reasonable and prudent;
3. state whether the financial statements have been prepared in accordance with IFRSs as adopted by the UK, subject to any material departures disclosed and explained in the financial statements; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

Auditor's right to information

So far as each of the Directors is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Our operational carbon footprint

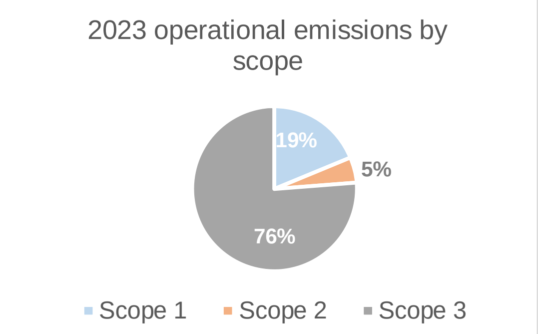
The section below summarises Gresham House's operational carbon emissions, following the carbon footprinting exercise that was carried out for our corporate emissions in 2023.

This provides a breakdown of corporate emissions by source and includes further related metrics. The final section, Investment emissions, provides a summary of Gresham House's financed emissions.

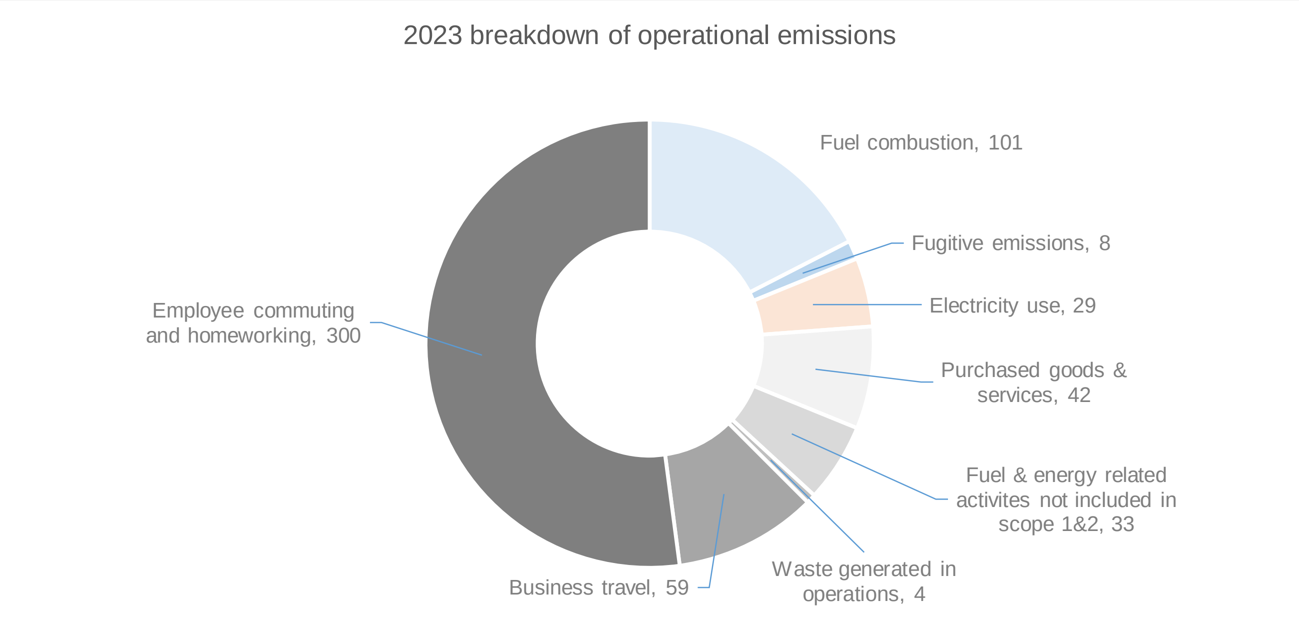
This section does not constitute all of Gresham House's as this does not include our Investment (Scope 3, Category 15) emissions. These emissions will be reported subsequently in our annual Sustainable Investment and Task Force on Climate-Related Financial Disclosures (TCFD) report. In 2022, Gresham House's operational emissions accounted for less than 1% of the total group emissions.

Corporate operational emissions 2023

The corporate operational footprint for our business in 2023 is shown below.



- **Scope 1**: emissions derived from direct combustion of fuel, e.g., in company vehicles. This includes use of gas or heating oil for premises where relevant and leased, as well as fully owned vehicles.
- **Scope 2:** emissions derived from purchased heat, steam or electricity. Note transmission and distribution emissions for electricity are a Scope 3 value.
- **Scope 3**: all indirect emissions generated from the use of purchased services, such as business travel, freight and all emissions not specifically covered in Scope 1 and Scope 2 categories.



Over the past two years we have worked hard to improve the quality of the data captured in our carbon footprinting exercise.

- In 2023, two additional data sources were included for the first time– homeworking and refrigerant top ups. The inclusion of homeworking emissions accounted for 171 tCO2e (30% of the total emissions), while refrigerants accounted for 8 tCO2e (1% of the total emissions).
- The UK government conversion factors for scope 3 category 7 were updated in 2023 to include homeworking. As such, we have followed best practice to include these emissions within our operational scope 3 emissions. The methodology behind the homeworking factor is entirely driven by national averages and estimates and potentially significantly inflated versus actual consumption.

On a like-for-like basis, (i.e. excluding the addition of new categories in 2023) emissions in 2023 increased by 10% in 2023 compared with 2022.

- Like-for-like scope 1 emissions increased by 17% because of increased company vehicle milage and fuel consumption.
- Scope 2 emissions decreased by 25% on a like-for-like basis in 2023 vs. 2022, reflecting the work of the Sustainability Working Group to liaise with building management to switch our core office locations on to authentic renewable electricity suppliers. These changes came into force halfway through 2023 so we expect this reduction in scope 2 emissions to persist into 2023.
- Like-for-like scope 3 emissions increased by 13% in 2023, driven by increases in the impact of employee commuting and business travel. Gresham House has introduced initiatives in 2023 to reduce our operational scope 3 emissions, such as an updated travel policy.

Directors' Report (continued)
for the year ended 31 December 2023

Metric	2022	2023	%
Scope 1 operational emissions (tCO_2e)	86	108	26
Scope 2 operational emissions (tCO_2e)	38	29	(25)
Scope 3 operational emissions (tCO_2e)	238	439	84
Return on carbon (revenue (£mn)/ tCO_2e)	0.22	0.16	(29)
Carbon intensity (tCO_2e/£mn revenue)	4.7	6.4	36
Carbon intensity (tCO_2e/FTE)	1.6	2.6	63
Electricity usage (kWh)	Scope 1- 360,968 Scope 2 – 189,074 Scope 3 – 92,421	Scope 1- 411,010 Scope 2 – 182,548 Scope 3 – 85,973	14 (3) (7)
Like-for-like scope 1 emissions (tCO_2e)	86	101	17
Like-for-like scope 2 emissions (tCO_2e)	38	29	(25)
Like-for-like scope 3 emissions (tCO_2e)	238	268	13
Total like-for-like emissions (scope 1,2&3, tCO_2e)	362	398	10

Source: This data was prepared by Carbon Responsible using the GHG Corporate Reporting and Accounting Standard, using UK Government Reporting and Conversion methodology and conversion factors.

Post balance sheet events

Post period end the following events had taken place:

The group had settled all share-based payments that had vested in December 23, total cash outflows of £52.5 million has been paid.

The group and company had entered into a revolving facility agreement with Hamburg Commercial Bank AG for £27 million, the facility is interest bearing.

Going concern

The Directors carry out a rigorous assessment of all the factors affecting the business in deciding to adopt a going concern basis for the preparation of the accounts. The Directors have reviewed, stress tested and examined the financial and other processes embedded in the business, in particular the annual budget process. On the basis of such review and the significant liquid assets underpinning the balance sheet relative to the Group's predictable operating cost profile, the Directors consider that the adoption of a going concern basis, covering a period of at least 12 months from the date of this report, is appropriate.

Charitable and political contribution

The Company made direct charitable donations of £58,725 and supported fund raising for charitable giving of £107,855.

Existence of branches

The Group does not have overseas branches.

By Order of the Board,

Samee Khan
Chief Legal Officer and Company Secretary
28 March 2024

5 New Street Square, London EC4A 3TW

Independent Auditor's Report to the Members of Gresham House Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;

- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;

- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Gresham House Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cashflows and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Our understanding of the legal and regulatory framework applicable to the Group and Parent Company, and the industry in which it operates,

We considered the significant laws and regulations to be Companies Act 2006, the applicable accounting standards, Corporation Tax Act 2010 and the Financial Conduct Authority (FCA) regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Review of correspondence with the FCA for any instances of non-compliance with laws and regulations

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Considering the Group and Parent Company's control environment that has been established to prevent, detect and deter fraud, in particular in relation to the appropriateness of revenue recognition.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management Override of Controls, Revenue Recognition, Impairment of Goodwill and other Intangibles, Investments in Subsidiaries (related to Parent Company), Valuation of Unlisted Investments, and the Fair Value of Contingent Consideration.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation including assessing the business rationale and appropriateness of the journal being posted;
- Incorporated unpredictability procedures as part of our response to the risk of management override which included the testing of a sample of immaterial expenses to supporting documentation;
- In response to the risk of fraud in revenue recognition, we recalculated a sample of the management fees. We have audited the inputs on a sample basis by agreeing the percentage used in the calculations to supporting documentation, such as signed management fee agreements and the assets under management to supporting documentation and challenging management on the reasonableness of their estimates and assumptions, with reference to independent data.
- Assessing and challenging significant judgements and estimates where management made assumptions, for bias by maintaining professional scepticism. This included examination and assessment of contradictory as well as corroborative evidence through a combination of external and internal data sources. Where appropriate we also performed sensitivity analyses.;
- We reviewed board minutes and a sample of investment committee meetings throughout the year; and
- Tested the consolidation agreeing a sample of manual adjustments at the consolidation level to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Independent Auditor's Report to the Members of Gresham House Limited

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Justin Chait (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Group statement of comprehensive income

For the year ended 31 December 2023

	Notes	**2023**	2022
		£'000	£'000
Income			
Asset management income		84,089	79,287
Dividend and interest income		1,101	531
Other operating income		4,358	2,523
Performance fees and carried interest		-	1,015
Total income	**1**	**89,548**	**83,356**
Operating costs		**(86,990)**	**(73,232)**
Administrative overheads	*3*	*(71,206)*	*(71,662)*
Acquisition and restructuring related costs	*6*	*(15,784)*	*(1,570)*
Net operating profit		**2,558**	**10,124**
Finance costs	7	(1,772)	(2,300)
Net operating profit after finance costs		**786**	**7,824**
Gains and losses on investments and fair value movements			
Share of associates' (loss)/profits	18	(428)	1,052
(Loss) on disposal of associate		-	(101)
Gains on investments held at fair value	12	6,662	1,488
Movement in fair value of contingent consideration		355	3,514
Operating profit before taxation		**7,375**	**13,777**
Taxation	9	(4,108)	(2,874)
Operating profit from continuing operations		**3,267**	**10,903**
(Loss) from discontinued operations		(259)	(177)
Profit for the year		**3,008**	**10,726**
Other comprehensive income			
Foreign exchange (losses)/gains on translation of a foreign subsidiary		(167)	638
Total other comprehensive (loss)/income		**(167)**	**638**
Total comprehensive income		**2,841**	**11,364**
Profit for the year attributable to:			
Equity holders of the parent		2,933	10,706
Non-controlling interest		75	20
		3,008	10,726
Total comprehensive income for the year attributable to:			
Equity holders of the parent		2,766	11,344
Non-controlling interest		75	20
		2,841	11,364

Statements of changes in equity

Year ended 31 December 2023

Group 2023

	Notes	Ordinary share capital £'000	Share premium £'000	Merger reserve £'000	Treasury shares £'000	Retained reserves £'000	Foreign exchange reserve £'000	**Equity attributable to equity shareholders of the Parent Company** £'000	Non-controlling interest £'000	**Total equity £'000**
Balance at 31 December 2022		9,568	39,328	25,419	(1,092)	76,340	480	**150,043**	1,095	**151,138**
Profit and total comprehensive income for the year		-	-	-	-	2,933	(167)	**2,766**	75	**2,841**
Contributions by and distributions to owners										
Share-based payments	29	-	-	-	1,092	(658)	-	**434**	-	**434**
Tax on share based payments		-	-	-	-	9,022	-	**9,022**	-	**9,022**
Issue of shares	27	1,040	-	-	-	-	-	**1,040**	-	**1,040**
Dividends paid	11	-	-	-	-	(6,054)	-	**(6,054)**	-	**(6,054)**
Total contributions by and distributions to owners		1,040	-	-	1,092	5,243	**(167)**	**7,208**	75	**7,283**
Balance at 31 December 2023		10,608	39,328	25,419	-	81,583	**313**	**157,251**	1,170	**158,421**

Group 2022

	Notes	Ordinary share capital £'000	Share premium £'000	Merger reserve £'000	Treasury shares £'000	Retained reserves £'000	Foreign exchange reserve **£'000**	**Equity attributable to equity shareholders of the Parent Company £'000**	Non-controlling interest **£'000**	**Total equity £'000**
Balance at 31 December 2021		9,500	39,328	24,811	(51)	73,032	(158)	**146,462**	1,075	**147,537**
Profit and total comprehensive income for the year		-	-	-	-	10,706	638	**11,344**	20	**11,364**
Contributions by and distributions to owners										
Share-based payments	29	-	-	-	-	(3,583)	-	(3,583)	-	(3,583)
Issue of shares	27	68	-	608	(1,041)	-	-	(365)	-	(365)
Dividends paid	11	-	-	-	-	(3,815)	-	(3,815)	-	(3,815)
Total contributions by and distributions to owners		68	-	608	(1,041)	3,308	**638**	**3,581**	20	**3,601**
Balance at 31 December 2022		9,568	39,328	25,419	(1,092)	76,340	480	**150,043**	1,095	**151,138**

Statements of changes in equity

Year ended 31 December 2023

Company 2023	Notes	Ordinary share capital £'000	Share premium £'000	Merger reserve £'000	Restated retained reserves* £'000	**Total equity £'000**
Balance at 31 December 2022		9,568	39,328	25,419	53,660	**127,975**
Prior year adjustment		-	-	-	982	**982**
At 1 January 2023		9,568	39,328	25,419	54,642	**128,957**
Loss and total comprehensive loss for the year					(15,123)	**(15,123)**
Contributions by and distributions to owners						
Share-based payments		-	-	-	3,502	**3,502**
Issue of shares	27	1,040	-	-	-	**1,040**
Dividends paid	11	-	-	-	(6,054)	**(6,054)**
Total contributions by and distributions to owners		1,040	-	-	(17,675)	**(16,635)**
Balance at 31 December 2023		10,608	39,328	25,419	36,967	112,322

Company 2022	Notes	Ordinary share capital £'000	Share premium £'000	Merger reserve £'000	Retained reserves £'000*	**Total equity £'000**
Balance at 31 December 2021		9,500	39,328	24,811	60,704	**134,343**
Loss and total comprehensive loss for the year*		-	-	-	(3,014)	**(3,014)**
Contributions by and distributions to owners						
Share-based payments		-	-	-	767	**767**
Issue of shares	27	68	-	608	-	**676**
Dividends paid	11	-	-	-	(3,815)	**(3,815)**
Total contributions by and distributions to owners		68	-	608	(6,062)	**(5,386)**
Balance at 31 December 2022		9,568	39,328	25,419	54,642	**128,957**

*Refer to Note 35 for details.

Statements of financial position

As at 31 December 2023

	Notes	Group 2023 £'000	Group Restated 2022* £'000	Company 2023 £'000	Company Restated 2022* £'000
Assets					
Non-current assets					
Investments	12	**21,889**	19,912	**17,019**	12,733
Property, plant and equipment	13	**3,952**	2,127	**2,592**	1,461
Investment in subsidiaries	17	**-**	-	**84,791**	80,915
Investment in associates	18	**-**	428	**-**	-
Intangible assets	14	**76,587**	87,335	**1,090**	1,292
Long-term receivables	15	**492**	1,330	**492**	492
Deferred tax	24			**-**	66
		102,920	111,132	**105,984**	96,959
Current assets					
Trade receivables	19	**11,835**	11,216	**-**	-
Accrued income and prepaid expenses	20	**31,749**	30,839	**70**	1,783
Other current assets	21	**34,660**	3,036	**41,559**	29,923
Cash and cash equivalents		**75,662**	32,205	**24,471**	2,976
Non-current assets held for sale					
Assets of a disposal group held for sale	16	**32,708**	22,907	**-**	-
Total current assets and non-current assets held for sale		**186,614**	100,203	**66,100**	34,682
Total assets		**289,534**	211,335	**172,084**	131,641
Current liabilities					
Trade and other payables	22	**88,536**	40,290	**1,151**	696
Short-term borrowings	23	**15,037**	-	**57,225**	1,541
Liabilities of a disposal group classified as held for sale					
Liabilities of a disposal group classified as held for sale	16	**22,392**	7,307	**-**	-
Total current liabilities and liabilities of a disposal group classified as held for sale		**125,965**	47,597	**58,376**	2,237
Total assets less current liabilities		**163,569**	163,738	**113,708**	129,404
Non-current liabilities					
Deferred taxation	24	**2,364**	7,353	**91**	-
Long-term borrowings	25	**-**	-	**-**	-
Other creditors	26	**2,784**	5,247	**1,295**	447
		5,148	12,600	**1,386**	447
Net assets		**158,421**	151,138	**112,322**	128,957
Capital and reserves					
Ordinary share capital	27	**10,608**	9,568	**10,608**	9,568
Share premium	29	**39,328**	39,328	**39,328**	39,328
Merger reserve	29	**25,419**	25,419	**25,419**	25,419
Treasury shares	29	**-**	(1,092)	**-**	-
Retained reserves	29	**81,583**	76,340	**36,967**	54,642
Foreign exchange reserve	29	**313**	480	**-**	-
Equity attributable to equity shareholders of the Parent Company		**157,251**	150,043	**112,322**	128,957
Non-controlling interest	29	**1,170**	1,095	**-**	-
Total equity		**158,421**	151,138	**112,322**	128,957

The loss after tax for the Company for the year ended 31 December 2023 was £15,312,000 (2022: restated £3,014,000 loss). The 2022 results were restated and details provided in Note 35.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 March 2024.
Kevin Acton Chief Financial Officer

Group statement of cash flows

For the year ended 31 December 2023

	Notes	2023 £'000	Restated 2022* £'000
Cash flow from operating activities			
Net cash generated from operations	30	**25,009**	15,114
Corporation tax paid		**(2,549)**	(6,155)
Interest paid on loans		**(243)**	(141)
Share-based payments settled		**(1,779)**	(6,774)
Share-based cash receipts	28	**52,263**	-
Contingent and deferred consideration paid	26	**(1,517)**	(2,010)
Net cash flow from operating activities		**71,184**	34
Cash flow from investing activities			
Acquisition of Burlington Property RE Limited		**-**	(627)
Sale of associates		**-**	12,478
Purchase of investments		**(4,398)**	(8,334)
Sale of investments		**1,269**	1,659
Investment in DevCo Projects		**(8,869)**	(11,372)
DevCo loans repaid		**735**	2,853
Proceeds received on sale of DevCo Projects		**2,638**	10,113
Purchase of fixed assets	13	**(1,430)**	(366)
Sale of fixed assets		**89**	296
Purchase of intangible assets		**(404)**	(886)
Contingent and deferred consideration paid	26	**(5,529)**	(8,903)
Advance of loans	23	**(30,000)**	-
Total cash flow from investing activities		**(45,899)**	(3,089)
Cash flow from financing activities			
Receipt of loans	21	**15,000**	-
Dividends paid		**(6,054)**	(3,815)
Capital element of lease payments	8	**(891)**	(627)
Contingent and deferred consideration paid		**(2,414)**	-
DevCo loans received/(repaid)		**12,531**	(550)
Total cash flow from financing activities		**18,172**	(4,992)
Increase/(decrease) in cash and cash equivalents		**43,457**	(8,047)
Cash and cash equivalents at start of year		**32,205**	40,252
Cash and cash equivalents at end of year		**75,662**	32,205

*Refer to Note 35 for details.

Company statement of cash flows

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Net cash generated from operations	30	**(7,124)**	(39)
Interest paid on loans		**(243)**	(266)
Net cash flow from operating activities		**(7,367)**	(305)
Cash flow from investing activities			
Purchase of investments		**(3,961)**	(9,387)
Sale of investments		**742**	4,512
Net cash received/(paid) from advances to Group undertakings*		**14,824**	(11,454)
Purchase of fixed assets		**(782)**	(244)
Sale of fixed assets		**89**	82
Purchase of intangible assets		**(385)**	**(695)**
Advance of loans		**(30,000)**	**-**
Total cash flow from investing activities		**(19,473)**	(17,186)
Cash flow from financing activities			
Receipt of loans		**15,000**	-
Net repayments of advances from Group undertakings		**40,068**	765
Dividends paid		**(6,054)**	(3,815)
Capital element of lease payments		**(679)**	(283)
Total cash flow from financing activities		**48,335**	(3,333)
(Decrease)/increase in cash and cash equivalents		**21,495**	(20,824)
Cash and cash equivalents at start of year		**2,976**	23,800
Cash and cash equivalents at end of year		**24,471**	2,976

The Group's material accounting policies are as follows:

(a) Basis of preparation and going concern

Gresham House Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England with company number 871. The address of the registered office is 5 New Street Square, London, EC4A 3TW.

The financial statements of the Group and the Company have been prepared in accordance with the United Kingdom adopted International Accounting Standards ("IAS") with the requirements of the Companies Act 2006 and other relevant laws and regulations. The financial statements are presented in Sterling, which is also the Company and Group's functional currency. The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value; and
- Assets held for sale under IFRS 5 are held at the lower of its carrying amount and fair value less costs to sell.

There were annual improvements and amendments to the existing accounting standards, which were effective for periods beginning 1 January 2023 adopted during the year, however they have not had a material impact on the Group's results. These include:

- IFRS 17 Insurance contracts including Amendments to IFRS 17 (issued on 25 June 2020)
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information

Going Concern

On 19 December 2023, the Group's entire issued share capital was acquired by Seed Bidco Limited ("Bidco"), a newly incorporated entity formed by funds advised by Searchlight Capital Partners L.P and its affiliates ("Searchlight"). This acquisition provides a partnership which is set to enhance Gresham House's strategic ambitions and operational performance. The Group operations remains unchanged. The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business.

The Group has sufficient financial resources and ongoing investment management contracts. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors have a reasonable expectation, after performing downside scenario stress tests on the Group's cash flow, that the Group has adequate resources to continue in operational existence for the foreseeable future. Downside scenario stress tests included a material reduction in revenues from reducing net asset values of the funds managed by the Group as well as reviews of variable costs and discretionary investment. Whilst high inflation, high interest rates and wars has added to the market turmoil which impacted the environment in which the Group operates, they have not had a material impact on the Group's resources.

As part of the Searchlight transaction, the Group entered into a new revolving credit facility of £27 million which £15 million was drawn at the year-end (£27 million drawn post year end), while also providing an upstream loan of £30 million to Bidco which is payable on demand. The downside scenarios included the above factors and continue to provide a positive cash flow for the Group for the next 12 months.

The downside scenarios reviewed the revolving credit facility covenants, which were not breached at the year end. The revolving credit facility is available to the Group until 2030. Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future and as such has adopt the going concern basis of accounting in preparing the financial statements.

(b) Basis of consolidation

Subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee; exposure to variable returns from the investee; and the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings made up to the year end as if they formed a single entity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The acquisition method of accounting is used to account for business combinations by the Group. Refer to Note include-(v) for further details on whether the Group controls funds that it also manages.

At the Company level investments in subsidiaries are carried at cost less impairment.

Associates

Where the Group has significant influence, it has the power over (but not control of) the financial and operating policy decisions of another entity, it is classified as an associate. This is typically where the Group holds over 20% of the voting shares in the entity. Associates are initially recognised in the Group Statement of Financial Position at cost. Subsequently, associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the Group Statement of Comprehensive Income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Where there is an indication of impairment that the investment in an associate has been impaired, the carrying amount of the investment will be tested for impairment in the same way as other non-financial assets.

(c) Presentation of Statement of Comprehensive Income

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. Details of the Company's results for the year are set out in Note 29, the loss for the year being £15,123,000 (2022 restated: £3,014,000). Refer to Note 35 for details on restatement in 2022.

(d) Segment reporting

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group Management Committee ("GMC"), which is considered to be the Chief Operating Decision Maker in order to allocate resources to the segments and to assess their performance.

The Group has three reportable segments, which are those reported to the Board are Real Assets, Strategic Equity and Central. The Real Assets segment includes Forestry, New Energy, Sustainable Infrastructure and Real Estate divisions, and the Strategic Equity division includes Public and Private Equity divisions. While the Central segment principally comprises of management activities such as strategic activities, corporate development and costs associated with corporate governance and management.

(e) Revenue recognition

Revenue is recognised when the Group has satisfied its performance obligations relating to the services to its clients. Revenue is measured at the fair value of the consideration received or receivable and represents amount receivables for services provided in the normal course of business, net of discounts and value adding tax. Where the Group enters contracts which includes multiple services, where each service can be determined to be distinct and with its own performance obligation, then its recognised separately.

The fixed consideration element of asset management contracts is measured at the fair value of the consideration received or receivable and is earned within the United Kingdom, Ireland, and Australasia. The fixed consideration element of asset management contracts is recognised evenly over the contracted period, as the contracts require the Group to perform an indeterminate number of individual asset management services over the duration of the contract. Typically, the asset management fees are based on a fixed percentage of the net asset values of the funds managed or committed capital. The fees are affected by the changed in net asset values, including market appreciation or depreciation, foreign exchange translation and net outflows and inflows. Asset management income also includes catch-up management fees on final close of limited partnership funds, directors and advisory fees and fundraising fees.

Catch-up management fees or equalisation fees are calculated as the management fee payable from the date of commitment to the fund as if an investor had joined the fund at inception of the fund and are typically calculated on the investor's commitments to the limited partnership at the appropriate management fee or priority profit share. In this instance, the period the service relates to is assessed and for past service provision the catch-up management fee is recognised when the new investor commits to the fund.

Performance fees are recognised as revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Performance fees are payable when a certain hurdle rate has been achieved on a specific date, typically a NAV amount on the year end reporting date of the specific fund. The potential for the NAV to decrease from a reporting period end to the measurement date means that the performance fee is generally only recognised when the measures on which it is based have finally been determined. Cash payments in relation to fixed and variable revenues earned are generally received shortly after the relevant quarter end.

Fundraising fees are earned by the Group for providing fund raising services, typically to the VCTs. This includes promoting the fund raise, legal documentation and other administrative tasks of executing the fund raise. Fundraising fees are typically paid on a percentage of the funds raised, i.e. equity invested into the fund.

Other revenue recognition

(i) Dividend and interest income

Income from listed securities is recognised when the right to receive the dividend has been established. Interest receivable is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis by reference to the principal outstanding and by using the effective interest rate method.

(ii) Other income

Other income earned by the Group is recognised to the extent that it is probable that the economic benefits will flow to the Group and that revenue can be reliably measured in line with any contractual arrangements in place. This includes non-core operating income which relates to income earned from property services, which are not considered core asset management services to the Group.

Adjustments to revenue arising from initial estimates recorded historically have been immaterial as the Group only recognised revenue when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

At each reporting period end, where the performance obligation is satisfied but the Group has not raised the associated invoices, revenue is accrued.

(f) Expenses

All expenses and interest payable are accounted for on an accruals basis.

Expenses incurred by the Group when acting as principal are presented in administrative overheads cost in the SOCI. These costs included fundraising costs, distribution fees payable to providers and advisors that distribute the Group's products; as well as rebates to providers, advisors and investors. These costs are recognised as they are incurred or over the service period provided.

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The depreciable amount of all property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives to the Group commencing from the time the asset is held ready for use, and are depreciated at the following rates:

Office equipment	25%
Motor vehicles	25%
Leasehold property	20%
Right of use assets	over the lease term

Assets under construction are capitalised costs for the development of battery storage projects which are measured at cost less impairment. Assets under construction are not depreciated until they are ready for use, when they are transferred to the relevant asset class and depreciated over their economic lives.

(h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(i) Leases

A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of a lease a right of use asset and a lease liability are recognised in the Statement of financial position.

The lease liability is initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. Subsequently the lease liability decreases by the lease payments made, offset by interest on the liability, and may be remeasured to reflect any reassessment of expected payments or to reflect any lease modifications.

The right of use asset is initially measured at the amount of the initial lease liability plus: any lease payments made on or before the commencement date less incentives received; any incremental costs of obtaining the lease; and, if any, the costs of decommissioning the asset and any restoration work to return the asset to the condition required under the terms of the lease.

Subsequently the right of use asset is valued using the cost model. The asset is amortised on a straight-line basis over the expected term of the lease, adjusted for any remeasurement of the lease liability, and is shown net of the accumulated depreciation and any impairment provisions.

Leases for low value assets and short-term leases are expensed to operating profit on a straight-line basis over the term of the lease.

(j) Investments

In line with IFRS 9: Financial Instruments, financial assets designated as at fair value through profit and loss (FVTPL) at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Group's key management. The equity investments which do not meet the definitions of an associate or subsidiary remain held at fair value through profit and loss)

(i) Assets held for sale

Non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell (except where the exemptions of paragraph 5 of IFRS 5 apply) and are classified as such if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale is considered to be highly probable. A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset and a further active programme to locate a buyer and complete the plan has been initiated. Further, the asset has to be marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one year from the date that it is classified as held for sale. In some cases, there are circumstances which may delay the sale beyond one year, which are often beyond the Group's control, however, where the criteria for classification under IFRS 5 continued to be met, we continued to recognise the assets as held for sale.

Assets acquired with a view for resell are classified as discontinued operations and falls under assets held for sale and measured at fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised)

(ii) Securities

Purchases and sales of listed investments are recognised on the trade date, the date on which the Group commit to purchase or sell the investment. All investments are designated upon initial recognition as held at fair value and are measured at subsequent reporting dates at fair value, which is either the market bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Fair values for unquoted investments, or for investments for which there is only an inactive market, are established by taking into account the International Private Equity and Venture Capital Valuation Guidelines.

(iii) Loans and receivables

Unquoted loan stock and the deferred receivable are all classified at amortised cost under IFRS 9 reflecting their held to collect business model. Unquoted loan stock is classified as loans and receivables in accordance with IFRS 9 if it meets the business model and cash characteristics tests. The business model and cash characteristics tests require the objective of owning the financial asset to collect the contractual cash flows of interest and principal over the life of the asset, rather than selling prior to contractual maturity. The financial assets are held at amortised cost, less any loss allowance, which is measured using the expected credit loss impairment model. This assesses the movements in both the amortised cost relating to the interest income and in respect of loss allowances and these are reflected in the Statement of Comprehensive Income.

(iv) Loan receivables in development projects

Loans for the development projects are held at fair value through profit and loss (FVTPL). Fair value is calculated based on the expected cash flows from the loan and then discounting using a synthetic credit rating and Bank of England risk-free rate. The synthetic credit rating was used due to inactive market for these loans. Changes in fair value are recognised in profit and loss as they arise.

(k) Acquisition and restructuring related expenses

Acquisition and restructuring related expenses are costs that are incurred as part of acquisitions/business combinations and asset acquisitions on both buy and sell side transactions, as well as restructuring of the business post-acquisition.

Acquisition and restructuring related expenses encompass a broad range of costs directly attributable to the buy and sell side acquisition and integration of acquired businesses. These include, but are not limited to:

- Professional and consultancy fees related to the acquisition
- Legal and regulatory expenses
- Severance payments and costs associated with employee restructuring
- Asset write-offs and impairment charges directly resulting from restructuring activities
- Share-based payments and additional remuneration to sellers as part of the acquisition agreement, as well as any accelerated Share-based payment charges relating to the acquisition
- National insurance costs associated with the above

The Group recognises these expenses as separate line items in the Consolidated Statement of Comprehensive Income in accordance with IAS 1 to highlight their nature and impact on the company's financial performance. This treatment ensures transparency and facilitates a clearer understanding of the Group's operating results, particularly in relation to events that are not expected to recur frequently.

Furthermore, these expenses are identified as non-GAAP measures. This designation acknowledges their exclusion from the Group's operational results for the purposes of internal management reporting and analysis. The separate presentation of these items allows shareholders and other stakeholders to better understand the elements of financial performance within the year, enabling a more accurate comparison with prior periods and assisting in the assessment of trends in the Group's financial performance over time.

(l) Intangible assets

(i) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets and liabilities acquired, is capitalised in the Statement of Financial Position. Goodwill arising from a business combination is allocated to the cash-generating unit (CGU) that are expected to benefit from the business combination. Following initial recognition, goodwill is not amortised but rather tested for impairment annually. The group test goodwill for impairment at the CGU level in January after financial year end. Goodwill is also tested for impairment more frequently if an event occurs or circumstances change that would indicate (refer to below for indicators) that the carrying value of the CGU is below its recoverable amount.

If the recoverable amount is below the CGU's carrying value, then an impairment loss is recognised, and allocation is first to goodwill and then, to the other assets of the CGU pro rata on the basis of the carry amount of each asset.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill once impaired shall not be reversed.

(ii) Management contracts and client relationships

Intangible assets, such as management contracts and client relationships acquired as part of a business combination or separately, are capitalised where it is probable that future economic benefits attributable to the assets will flow to the Group and the fair value of the assets can be measured reliably.

They are recorded initially at fair value and then amortised, if appropriate, over their useful lives. The fair value at the date of acquisition is calculated using discounted cash flow methodology and represents the valuation of the net residual income stream arising from the management contracts or distribution agreements in place at the date of acquisition. The management contracts and client relationships are included in the Statement of Financial Position as intangible assets. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives as follows:

- Client relationships arising on acquisition – five years
- Management contracts arising on acquisition — one to 25 years depending on the specific management contract details

(iii) Website and IT platform development

Costs associated with the development of the Group's website and IT platform are capitalised only after technical and commercial feasibility of the asset intend use have been established and will generate future economic benefits. These costs are included in the Statement of Financial Position and are amortised over the estimated useful life of four year

(iv) Brands

Brands acquired as part of a business combination or separately, are capitalised where it is probable that future economic benefits attributable to the assets will flow to the Group and the fair value of the brand can be measured reliably.

They are recorded initially at fair value and then amortised over their useful lives. The fair value at the date of acquisition is calculated using discounted cash flow methodology and represents the valuation of the net residual income stream arising from the brands at the date of acquisition. The brands are included in the Statement of Financial Position as intangible assets. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives of five years.

(v) Intangible assets acquired from development projects

Intangible assets acquired for the development projects are consents for the development of the assets and include planning permissions and grid connections. These assets are unique and due to its unobservable input to determine fair value, as such, the fair value is deemed to be the consideration paid minus the identified tangible assets. These assets are classified as held for sale under IFRS 5 and measured under fair value less cost to sell. Amortisation is not required under IFRS 5. Refer to critical accounting estimates and judgements for further details.

Amortisation methods, useful lives and residual values will be reviewed at each reporting date and adjusted if appropriate.

At each period end date, reviews are carried out on the carrying amounts of intangible assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the assets estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its net carrying amount, the net carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the Statement of Comprehensive Income. The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

(a) whether the asset's market value has increased significantly during the period;
(b) whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and
(c) whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

(m) Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to settle on a net basis or realise the asset and liability simultaneously and where the Group intends to net settle.)

(i) Trade and other receivables
Receivables are short term in nature. Trade and other receivables are recognised and carried at the lower of their invoiced value and recoverable amount. Expected credit losses are recognised in respect of each trade receivable and remeasured at each report date based on the expected credit losses at that time. The expected credit losses are estimated using a provision matrix by reference to past default experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date, such as impact from the inflation and interest rates.

Included in trade and other receivables is contingent consideration receivable arising from disposal of Devco Projects. Estimates are required in respect of the amount receivable on disposal as these amounts are dependent on the future earnings and capacity of the Devco Projects. The Directors review the amount of contingent consideration that are virtually certain at each reporting period end date. Contingent consideration receivable is discounted to its fair value in accordance with the applicable International Financial Reporting Standards.

(ii) Cash and cash equivalents
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(iii) Non-current receivables
Deferred receivables are recognised at the discounted value of those receipts.

(iv) Dividends payable
All dividends are recognised in the period in which they are approved by shareholders.

(v) Bank borrowings
Bank borrowings are initially recognised at fair value, net of transaction costs incurred. Bank borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(vi) Trade and other payables
Trade payables are not interest-bearing and are stated at their nominal value. Other payables are not interest-bearing and are stated at their nominal value as any discounting of expected cash flows is considered to be immaterial.

(vii) Borrowing costs

Unless capitalised under IAS 23 Borrowing Costs, all borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Consolidated Statement of Comprehensive Income using the effective interest method.

(viii) Contingent consideration

Contingent consideration arises when settlement of all or any part of the cost of a business combination or other acquisition, for example management contract, is contingent based on specified future events occurring. It is stated at fair value at the date of acquisition, which is determined by discounting the estimated amount due in the future back to present value at that date. Fair value movements in the year are recognised in the income statement.

Estimates are required in respect of the amount of contingent consideration payable on acquisitions, which is determined according to formulae agreed at the time of the business combination, and normally related to the future earnings, revenues or fund raising targets of the acquired business. The Directors review the amount of contingent consideration likely to become payable at each period end date, the major assumption being the level of future profits of the acquired business. Contingent consideration payable is discounted to its fair value in accordance with applicable International Financial Reporting Standards.

Contingent consideration forms part of investing activities as it arises from a business combination or other acquisition.

(n) Pensions

The Group operates defined contribution pension schemes where payments to such schemes for employees are charged against profits in the year in which they are incurred.

(o) Share-based payments

The Group issued equity-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using a Monte-Carlo option pricing model for schemes with market based vesting conditions and Black Scholes for non-market based vesting condition. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each period end date for cash-settled share-based payments.

In the event of a change of control where the share-based payment schemes vested ahead of original vesting date, the remaining expenses will be accelerated and be recognised in the year of vesting.

In the Company separate financial statement, where the Company grants share-based awards to the employees of its subsidiary, the subsidiary recognise the expense in its profit and loss to recognise the employee services received over the vesting period. Concurrently, the Company treated this as an increase in the investment in the subsidiary.

(p) Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein in accordance with IFRS 10. Non-controlling interests consist of the amount of those interests at the date of the original business combination and for acquisitions post 3 October 2010 following adoption of IAS 27 Consolidated and Separate Financial Statements (Revised 2008), the non-controlling interests' share of changes in equity since the date of the combination.

(q) Business combinations

The Group recognises business combinations when it considers that it has obtained control over a business, which could be an entity or separate business within an entity (for example acquiring management contracts and hiring the team to service those contracts). The fair value of the assets acquired, and the liabilities assumed from the business combination are assessed at acquisition. The fair value of the consideration paid to the sellers of the business is assessed, with particular reference to the classification of payments to employees that could be considered remuneration rather than consideration for a business. Consideration paid in excess of the acquisition date fair value of net tangible and identifiable intangible assets is known as goodwill. Refer to goodwill in Note I for details.

(r) Statement of cash flows

Contingent and deferred consideration arrangements are classified as investing activities to the extent that they reflect the amount recognised as contingent and deferred consideration payable at the acquisition date. Where the amount paid exceeds this value the excess is classified as either operating or financing under the following circumstances,

a) where the increase is due to the operational performance of the underlying business acquired this is recognised as operating activities,
b) where this relates to circumstances not directly linked to the operational performance of the business this is recognised as financing activities.

Cash flows in respect of the payment of lease liabilities are also included within cash flows from financing activities.

Interest paid on loans and borrowings, lease liabilities contingent and deferred consideration are recognised within operating activities in the Statement of Cash Flows.

(s) Critical accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

Key sources of estimates uncertainty

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used to determine:

(i) Valuation of contingent consideration

Key Judgements

These are as follows:

(ii) Revenue recognition for performance fees and fund-raising fees
(iii) Treatment of battery storage development companies (DevCo)
(iv) Accounting for investment in associates – Environment Bank Limited
(v) Consolidation assessment of funds managed and controlled by the Group
(vi) Impairment review for goodwill
(vii) Valuation of unlisted investments
(viii) Classification of Investments

(i) Valuation of contingent consideration

Mobeus

The Mobeus VCT business contingent consideration is based on the Mobeus VCTs maintaining the VCT investment advisory agreements with Gresham House over the three years post-acquisition from October 2021 to October 2024 (maximum £8.9 million payable as contingent consideration) and achieving certain AUM growth targets over these three-year period (maximum £0.8 million).

In financial year 2023, £4.1 million of the deferred consideration was paid. The fair value of the contingent consideration value as at 31 December 2023 is £5.1 million, this is based on an assumption that there is reasonable likelihood of the business maintaining the VCT contracts and this amount has therefore been discounted for the time value of money. The contingent consideration is also based on estimate of the business achieving the AUM targets for the Mobeus VCT funds and has been discounted using the appropriate WACC at 12%. Further details and potential outcomes are provided in Note 5.

Appian

The Appian contingent consideration is driven by applying a multiple of 1.4x to the estimated earnings to be delivered for the year to 31 December 2022 and 31 December 2023, as well as AUM targets. The contingent consideration has been reduced to £0.8 million as at 31 December 2023. This is based on actual performance in financial year 2023. Further details and potential outcomes are provided in Note 5.

Burlington

The Burlington contingent consideration is calculated as 40% of 6.5 times the average EBITDA in three years ending 31 December 2024. The fair value of £0.7 million for the contingent consideration has been estimated at the date of acquisition using estimated outcomes and discounting this at 8.0%. As at 31 December 2023, management deemed this estimate has not changed and performance to continue as expected. Further details and potential outcomes are provided in Note 5.

(ii) Revenue recognition for performance and fundraising fees

The revenue recognition of the Group is driven by asset management fees, which are recognised in line with the investment management or advisory agreements in place with the appropriate funds. These are typically based on the committed capital of Limited Partnership funds, or Net Asset Values (NAV) for listed vehicles managed or advised by the Group. The NAV is typically the last audited or publicly available NAV announced by the board of these companies and is therefore independently approved. As a result, there is limited uncertainty or judgement in the amount of revenue to be recognised.

However, judgement in timing of revenue recognition is required for performance and fundraising fees and revenue is only recognised when there is limited uncertainty in the amount or revenue to be recognised.

Performance fees are recognised only when the Group is entitled to receive the performance fee per the management contract. This is on achievement of the hurdle rate as set out in the management or advisory agreements and the outcome is known as it is based on the audited NAV of the fund. The Mobeus Income and Growth 2 VCT plc NAV was ahead of the hurdle rate at 30 September 2022 and therefore paid a Performance fee to Gresham House Asset Management Limited during 2022.

Fundraising fees are recognised as a percentage of funds raised, with fundraising being the key performance obligation. The fundraising relates to new share offers in 2023 and 2022 by the VCTs managed by the Group. Judgement is applied at the end of the period and the fundraising fees accrued are based on the shares allotted by the VCTs at the period end.

(iii) Treatment of battery storage development companies

IFRS 5 – Asset held for sale

The Group has invested in the development of battery storage projects (DevCo Projects), which are part of the exclusive pipeline to be sold to Gresham House Energy Storage Fund plc (GRID) when operational. The DevCo Projects are held in separate SPVs, which the Group entity Gresham House Devco Limited (Devco Limited) owns 100% of the equity in, and the Group has also lent funds for the development of the projects.

Judgement is required on the five key considerations in the accounting treatment of the development companies:

a) Control (IFRS 10) – Devco Limited holds 100% of the equity in the DevCo Projects and has also loaned capital to fund the development of the DevCo Projects. Devco Limited is considered in control of the DevCo Projects and therefore has consolidated them in the Group financial statements.
b) Associates –IAS 2–) - No DevCo Projects were held as associates at 31 December 2023 where the Group had a significant influence holding (greater than 20%, but less than 50%)
c) Classification of the assets in each DevCo Project – the SPVs are developing battery storage facilities which are classified as non-current assets unless all the IFRS 5 criteria are met. Where the Group has acquired the assets with a view to resale and the conditions under IFRS 5 are met, it is classified as a disposal group and discontinued operations.

d) Assets held for sale (IFRS 5) and loss of control – the sale of a DevCo Project (Coupar) during the period has been treated as a loss of control transaction under IFRS 10 resulting in a gain on sale being presented net in the Statement of Comprehensive Income. Lister, Monets and Hazelboro meet the conditions under IFRS 5, as such are treated as disposal groups held for sale under IFRS 5.

e) Borrowing costs (IAS 23) – the DevCo Projects have interest payments relating to the amounts lent by GRID to fund the acquisition of the battery assets at the project company level. The DevCo Projects have capitalised finance costs per IAS 23 Borrowing Costs as the characteristics of the development of the projects (such as not generating revenues until operational, loans being procured for the sole purpose of developing the projects and the projects taking a long time to get ready for intended sale) permit this. The capitalisation rate used was the weighted average of the borrowing costs applicable to all relevant borrowings outstanding during 2023.

Asset versus business acquisition

Judgement is required to determine if the DevCo Projects are asset or business acquisition as IFRS 3 requires us to determine whether assets acquired, and any liabilities assumed constitute a business. If the assets and liabilities are not considered to be a business, then the transaction should be accounted for as asset acquisition.

Business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. All three elements must exist to be considered a business. Management performs an assessment on each project to determine if those three elements exist at the date of acquisition. Only when inputs, processes and outputs exist would the acquisition be treated as a business acquisition and be accounted for under IFRS 3 'business combination'. Otherwise it is treated as an asset acquisition.

(iv) Accounting for investment in associates – Environment Bank Limited (EBL)

On 7 May 2021, the Group acquired a 50% investment in EBL, the habitat bank development company. The BSIF funds exercised the option to acquire 25% of EBL from the Group in December 2022, leaving the Group with a 25% investment in EBL. The Group does not have the ability to control the board of EBL through majority voting rights or the ability to appoint or remove the majority of the board of directors. The Director's assessment is that the Group can exercise significant influence over EBL and has treated it as an associate.

(v) Consolidation assessment of funds managed and controlled by the Group

Judgement is required when assessing whether the Group controls funds that are managed on behalf of third parties, the Group is required to assess whether it has power over these funds; exposure, or rights, to variable returns from its involvement with the fund; and has the ability to use its power over the funds to affect the amount of the Group's returns. This can also be considered when the Group is acting in its capacity as agent or principal. An agent is acting on behalf of third-party investors, whereas a principal is acting for its own benefit.

IFRS 10 provides guidance for considering the assessment of whether fund managers are acting as agent or principal, and therefore whether the Group should consolidate the funds that it manages or not. The key considerations when assessing this are decision making authority of the fund manager, rights held by third parties, remuneration and exposure to returns. The following provides further detail on the Directors' assessment of control over the funds that are managed by Gresham House Asset Management Limited (GHAM), the FCA regulated entity within the Group and whether the Company or its subsidiaries are acting as agent or principal:

Fund	Manager/ adviser	Removal rights of investors	Remuneration basis	Gresham House holding	Agent/ principal	Accounting treatment
EBL	No	n/a	n/a	25%	Agent	Associate
GHF FF LP	Yes	No	Market norm	71%	Principal	Consolidate
GHFF LP	Yes	Substantive	Market norm	0%	Agent	No consolidation
GRID	Yes	Substantive	Market norm	-	Agent	No consolidation
Residential Secured Income plc	Yes	Substantive	Market norm	c.2%	Agent	No consolidation
BSIF	Yes	Substantive	Market norm	<1%	Agent	No consolidation
BSIF II LP	Yes	Substantive	Market norm	<1%	Agent	No consolidation
SPE LP	Yes	Substantive	Market norm	0%	Agent	No consolidation
Baronsmead VCTs	Yes	Substantive	Market norm	0%	Agent	No consolidation
Mobeus VCTs	Yes	Substantive	Market norm	0%	Agent	No consolidation
Strategic Equity Capital plc	Yes	Substantive	Market norm	<4%	Agent	No consolidation
Micro Cap Fund	Yes	Substantive	Market norm	0%	Agent	No consolidation
Multi Cap Income Fund	Yes	Substantive	Market norm	0%	Agent	No consolidation
Gresham House Renewable Energy VCTs	Yes	Substantive	Market norm	0%	Agent	No consolidation
Forestry LP Funds	Yes	Substantive	Market norm	0%	Agent	No consolidation
New Energy LP Funds	Yes	Substantive	Market norm	0%	Agent	No consolidation
Irish Strategic Forestry Fund LP	Yes	Substantive	Market norm	5%	Agent	No consolidation
Gresham House SiRes LP	Yes	Substantive	Market norm	<1%	Agent	No consolidation
Gresham House Private Equity Release SP LP	Yes	Substantive	Market norm	<5%	Agent	No consolidation

Gresham House Forestry Fund LP (GHFF LP) is managed by GHAM. GHAM is exposed to variable returns through its management fee and acquisition fees, as well as the Company's limited partnership interest in Gresham House Forestry Friends and Family LP (GHF FF LP), a vehicle which in turn is a limited partner in GHFF LP.

The limited partners of GHFF LP have the ability to remove the manager without cause, by obtaining limited partner special consent. There are a number of limited partners that would be required to co-ordinate to remove the manager. The Directors' assessment of this right indicates that the manager is acting as agent for GHFF LP and therefore should not consolidate GHFF LP.

The Directors' assessment of GHF FF LP, however, indicates that it is in a controlling position with a 71% holding and therefore should consolidate this in the Group financial statements.

The acquisition of TradeRisks Limited (TradeRisks) in March 2020 included the acquisition of shares in Residential Secured Income plc (ReSI plc), which is now managed by the Group. At the end of 2023 the Group held less than 2% of the ordinary shares in ReSI plc. The Directors' assessment indicates that GHAM is acting as agent for ReSI plc and therefore should not consolidate ReSI plc.

Gresham House Energy Storage Fund plc (GRID) is managed by GHAM, and the Company sold its direct investment in GRID in 2021. The assessment of whether GHAM is acting as agent or principal requires assessing the other entities and individuals that are connected to Gresham House and their investment in GRID. BSIF has a 5% investment in GRID, and a control assessment has concluded that GHAM does not control BSIF and therefore should not be included in the proportion of GRID that is under the control of GHAM.

Gresham House British Strategic Investment Fund (BSIF Strategy), which comprises two sub-funds, Gresham House BSI Infrastructure LP and Gresham House BSI Housing LP, is managed by GHAM. The manager is exposed to variable returns through its management fee and has committed £0.5 million to each sub-fund, making up less than 1.0% of committed capital. While exposed to the variable returns as an investor, this is not considered a material exposure. The limited partners of the BSIF Strategy also have the ability to remove the manager without cause, one year after the final close of the BSIF sub-funds with a special resolution. The Directors' assessment of this right indicates that the manager is acting as agent for the BSIF Strategy and therefore should not consolidate the BSIF Strategy.

BSIF II LP has the same assessment as BSIF LP, with the manager acting as agent and therefore should not consolidate BSIF II LP.

Gresham House Strategic Public Equity LP (SPE LP) is managed by GHAM, a subsidiary of Gresham House Limited. GHAM in its role as investment adviser is exposed to variable returns through its management fee, however the Company is not directly invested in SPE LP. The limited partners of SPE LP have the ability to remove the manager without cause, one year after the final close of SPE LP on obtaining limited partner special consent. The Directors' assessment indicates that GHAM is acting as agent for SPE LP and therefore should not consolidate SPE LP.

Irish Strategic Forestry Fund LP (ISFF) is managed by GHAM. The manager is exposed to variable returns through its management fee and has committed €1.27 million to the fund, making up c5% of committed capital at first close. While exposed to the variable returns as an investor, this is not considered a material exposure. The limited partners of the ISFF fund also have the ability to remove the manager without cause. The Directors' assessment of this right indicates that the manager is acting as agent for the ISFF and therefore should not consolidate the ISFF fund.

Gresham House SiRes LP is managed by GHAM, a subsidiary of Gresham House Limited. The group is exposed to variable returns through its management fee. The group has an investment of less than 1% in the fund. The limited partners of the fund have the ability to remove the manager without cause. The Directors assessment indicates that GHAM is acting as agent for the LP and should not consolidate Gresham House SiRes.

Gresham House Private Equity Release SP LP is managed by GHAM, a subsidiary of Gresham House Limited. The group is exposed to variable returns through its management fee. The group has an investment of less than 5% in the fund. The limited partners of the fund have the ability to remove the manager without cause. The Directors assessment indicates that GHAM is acting as agent for the SP LP and should not consolidate Gresham House Private Equity Release SP LP

The remaining funds of the Baronsmead VCTs, Mobeus VCTs, Gresham House Renewable Energy VCTs, the LF Gresham House UK Micro Cap Fund (Micro Cap Fund), the LF Gresham House UK Multi Cap Income Fund (Multi Cap Income Fund) and Strategic Equity Capital plc (SEC) are managed by GHAM, however are not invested in by the Group (or have less than 4% holding). The Board has therefore concluded that the Group is acting as agent and therefore should not consolidate these funds.

(vi) Impairment review for Goodwill and Management Contracts from previous acquisitions

At each reporting date, the Group applies judgement to determine whether there is any indication that the management contracts from previous acquisitions may be impaired. If any indication exists a full assessment is undertaken, whilst Goodwill is assessed on an annual basis. Should the review of goodwill or management contracts indicate that the carrying value exceeds the estimated recoverable amount, the assets are written down to its recoverable.

Goodwill impairment testing

Goodwill impairment assessment is based on the expected future returns of the relevant CGU as a whole. Impairment is assessed for the smallest identifiable CGU. Impairment arises when the recoverable amount of the CGU is lower than its net carrying value. CGUs are defined as the collection of management contracts generating revenues which have a clearly allocated cost base and relate to the businesses that have been acquired by the Group. The CGUs are the businesses formerly known as Aitchesse, Hazel Capital, FIM, Livingbridge VCT business, Mobeus VCT business, TradeRisks, Appian Asset Management and Burlington RE Property Management.

Goodwill has been assessed for each business acquired for impairment as at 31 December 2023. This assessment includes an analysis of the recoverable amounts of the CGUs by using value in use based on expected cash flow models from the specific businesses based on expected fundraising and other growth factors as well as the associated cost of delivering the planned revenues. The cash flows projections include estimates and assumptions to align with the Group's budget and forecasts.

A discount rate or weighted average cost of capital (WACC) derived from the capital asset pricing model (CAPM) has been applied to the cash flows to determine an estimate of the fair value of the business, which is used to assess whether goodwill impairment arises. The recoverable amounts are compared to the goodwill on the Statement of Financial Position and other intangible assets and acquired assets within the CGU. Where the recoverable amounts less other intangible and tangible assets is greater than the goodwill amount on the Statement of Financial Position, no impairment is recognised. There were no indications of impairment against all goodwill balances of the Group as at 31 December 2023 (2022: No impairment). Refer to Note 14 for further details.

(vi) Valuation of unlisted investments

The Group invests in unlisted investments, typically in Limited Partnerships that the Group manages and other unlisted investments with the aim of growing the asset management business. The valuation of these investments is based on the latest available fund information, which is typically the prior quarters fund report. The funds perform year end valuations at the same time as the Group is preparing its annual results so the draft valuations, where available are reviewed to assess whether any material difference in valuation should be updated for with reference to any cash investment in or distributions from the fund, the latest views on market based valuation movements and the funds underlying performance..

(vii) Classification of loan and receivables

The Group applies judgement in assessing the business model and the cash flow characteristics test on its loan and receivables. For unquoted loan stock and deferred receivables, the business model is held to collect as the financial assets are managed with the objective to collect contractual cash flows. In addition, it meets the solely payment of principal and interest on the principal amount outstanding as they are basic arrangements. As such, these are measured under amortised cost.

Although the business model for the development projects is to hold to collect and sell (as the objective is achieved by selling the assets), it failed the solely payments of principal and interest criterion as part of the cash flow characteristics test. As such, the loan receivables for development projects are measured at FVTPL.

(s) Foreign currency

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary OCI financial assets form part of the overall gain or loss in OCI recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

(t) Treasury shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

(u) Gresham House Employee Benefit Trust (GH EBT)

As the Company is deemed to have control of the GH EBT, it is treated as a subsidiary and consolidated for the purposes of the Consolidated Financial Statements. Tre GH ’BT's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Consolidated Financial Statements. The GH ’BT's investment in the Company’s shares is deducted from equity in the consolidated statement of financial position as if they were treasury share

1 Income

	2023 £'000	2022 £'000
Asset management income		
Asset management income	**84,089**	79,287
	84,089	79,287
Dividend and interest income		
Dividend – income - listed UK	**283**	305
Interest receivable - banks	**187**	28
Other	**631**	198
	1,101	531
Other operating income		
Other	**922**	-
Non-core operating income*	**3,436**	2,523
	4,358	2,523
Performance fees		
Performance fees	**-**	1,015
	-	1,015
Total income	**89,548**	83,356

* Non-core operating income relates to income earned from Residential Property Management Limited and Gresham House O&M Limited for property services, which are not considered core asset management services to the Group.

Gross core revenue as disclosed in the adjusted operating profit metric:

	2023 £'000	2022 £'000
Asset management income – core operations	**84,089**	79,287
Dividend and interest income	**1,101**	531
Other operating income	**922**	-
Gross core revenue	**86,112**	79,818

2 Segmental reporting

The Board and management team of the Company have organised and reported the performance of the business by Real Assets, Strategic Equity and Central segments. These have evolved as the business has grown to become a specialist asset manager.

Real Assets includes the Forestry, New Energy, Sustainable Infrastructure and Real Estate divisions.

Strategic Equity includes the Public Equity and Private Equity divisions.

Central includes the general income created and costs incurred by the central functions of the business that are not directly linked to Real Assets or Strategic Equity, and includes management activities such as strategic activities, corporate development and costs associated with corporate governance and management.

The majority of activity and revenue in 2023 are derived from operations within the United Kingdom, however, the Group is growing internationally with activity in Ireland and Australasia in 2023.

2 Segmental reporting - continued

For the year ended 31 December 2023	Real Assets £'000	Strategic Equity £'000	Central £'000	Consolidated £'000
Gross core income				
Asset management income	52,470	31,619	-	84,089
Interest income	50	-	768	818
Dividend income	96	-	187	283
Other operating income	-	-	922	922
Rebates, distribution costs and fundraising costs*	(77)	(1,690)	-	(1,767)
Net core income	**52,539**	**29,929**	**1,877**	**84,345**
Segment expenses	(26,345)	(14,043)	(11,767)	(52,155)
Adjusted EBITDA	**26,194**	**15,886**	**(9,890)**	**32,190**
Finance costs	-	-	(1,772)	(1,772)
Adjusted operating profit/(loss)	**26,194**	**15,886**	**(11,662)**	**30,418**
Net DevCo gains	-	-	5,848	5,848
Net non-core activities	381	-	-	381
Adjusted operating profit including performance fees and realised gains on investments	**26,575**	**15,886**	**(5,814)**	**36,647**
Acquisition and restructuring related costs				(11,058)
Depreciation and amortisation				(12,074)
Profit on disposal of property, plant and equipment				28
Share of associate's profit				(428)
Impairment of Investments				(284)
Share-based payments relating to acquisitions				(4,299)
Acquisition related remuneration				(427)
Loss on investments at fair value				(1,085)
Movement in fair value of contingent consideration				355
Profit from continuing operations				**7,375**

*Rebates, distribution costs and fundraising costs are presented within administrative overheads cost in the Statement of Comprehensive income but presented as part of Net core income when presenting adjusted operating profit as these are expenses paid to deliver core income by the Group.

For the year ended 31 December 2022	Real Assets £'000	Strategic Equity £'000	Central £'000	Consolidated £'000
Gross core income				
Asset management income	47,384	31,903	-	79,287
Interest income	29	-	197	226
Dividend income	160	-	145	305
Rebates, distribution costs and fundraising costs*	(57)	(2,486)	-	(2,543)
Net core income	**47,516**	**29,417**	**342**	**77,275**
Segment expenses	(23,274)	(10,056)	(16,305)	(49,635)
Adjusted EBITDA	**24,242**	**19,361**	**(15,963)**	**27,640**
Finance costs	-	-	(560)	(560)
Adjusted operating profit/(loss)	**24,242**	**19,361**	**(16,523)**	**27,080**
Net performance fees	-	-	-	-
Net DevCo gains	-	-	576	576
Net non-core activities	1	-	-	1
Adjusted operating profit including performance fees and realised gains on investments	**24,243**	**19,361**	**(15,947)**	**27,657**
Acquisition and restructuring related costs				(3,309)
Depreciation and amortisation				(12,403)
Profit on disposal of property, plant and equipment				44
Share of associate's profit				1,052
Loss on disposal of associate				(101)
Share-based payments relating to acquisitions				(318)

Acquisition related remuneration	(1,600)
Loss on investments at fair value	(761)
Movement in fair value of contingent consideration	3,514
Profit from continuing operations	**13,775**

*Rebates, distribution costs and fundraising costs are presented within administrative overheads cost in the Statement of Comprehensive income but presented as part of Net core income when presenting adjusted operating profit as these are expenses paid to deliver core income by the Group.

During the year the Group had no customers accounting for more than 10% of the Group's revenue (2022: no customer).

Other information:

31 December 2023	Real Assets £'000	Strategic Equity £'000	Central £'000	Consolidated £'000
Segment assets	93,238	50,187	146,109	289,534
Segment liabilities	(26,106)	(1,090)	(103,917)	(131,113)
	67,132	**49,097**	**42,192**	**158,421**
Capital expenditure	-	-	2,955	2,955
Depreciation and amortisation	2,468	8,046	1,560	12,074
Non-cash expenses other than depreciation	-	-	2,676	2,676
Goodwill included within segment assets	18,320	30,813	-	49,133

31 December 2022	Real Assets £'000	Strategic Equity £'000	Central £'000	Consolidated £'000
Segment assets	94,416	58,865	58,054	211,335
Segment liabilities	(13,574)	(5,867)	(40,756)	(60,197)
	80,842	52,998	17,298	151,138
Capital expenditure	-	-	410	410
Depreciation and amortisation	2,960	8,275	2,211	13,446
Non-cash expenses other than depreciation	-	-	3,566	3,566
Goodwill included within segment assets	18,338	30,897	-	49,235

3 Operating costs

Administrative overheads comprise the following:

	Core activities £'000	Non-core activities £'000	**2023 Total £'000**	2022 Total £'000
Directors' emoluments (excluding benefits in kind and share-based payments)	1,893	-	**1,893**	1,792
Auditor's remuneration*	781	-	**781**	734
Amortisation	10,922	65	**10,987**	11,248
Depreciation	1,061	26	**1,087**	1,155
Profit on disposal of assets	(28)	-	**(28)**	(44)
Impairment of investment	285	-	**285**	-
Wages and salaries	35,465	2	**35,467**	32,907
Social security costs	4,206	-	**4,206**	5,240
Share-based payments	2,676	-	**2,676**	3,566
Other operating costs	12,633	1,219	**13,852**	15,064
	69,894	1,312	**71,206**	71,662
Staff costs (including Directors' emoluments) were:				
Wages, salaries and fees	35,706	2	**35,708**	33,320
Social security costs	4,206	-	**4,206**	5,240
Pension costs	1,651	-	**1,651**	1,379
	41,563	2	**41,565**	39,939

* A more detailed analysis of auditor's remuneration is as follows:	**2023 £'000**	2022 £'000
Audit fees – Company and consolidated financial statements	**110**	88
Audit fees – audit of the Company's subsidiaries	**659**	634
Non audit – services - CASS reporting to the FCA	**12**	12
	781	734

The Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

The average number of persons employed by the Group, including the Executive Directors, was 264 (2022: 236), including 38 employees relating to non-core activities (2022: 36). The Company has no employees.

4 Directors' emoluments

	2023	2022
	£	£
Directors' remuneration	1,960	2,124
Directors' pension contributions to money purchase schemes	67	67
Amounts due under long term incentive plans*	17,815	2,124
Gain on settlement of amounts due under long term incentive plans	17,815	2,124
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	2	2
Information regarding the highest paid director is as follows:		
Emoluments	1,039	1,173
Pension contribution to money purchase schemes	40	40
Amounts due under long term incentive plans	11,801	563
Gain on settlement of amounts due under long term incentive plans	11,801	563

5 Business combinations

There was no business combination during financial year 2023.

a. Burlington RE Property Management Limited

On 15 March 2022 the Group acquired 100% of the issued share capital of Burlington RE Property Management Limited (Burlington), a company registered in Ireland. Burlington is one of Ireland's premier independent commercial property asset and development management companies, and managed or advised assets of €340 million as at 31 December 2021.

The Acquisition forms part of Gresham House's ongoing international expansion plans, as set out in its five-year strategy (GH25) and is the Group's second acquisition in Ireland, following the completion of the Appian Asset Management transaction in 2021. It consolidates the existing relationship between the two businesses to achieve long-term alignment.

The fair value of the identifiable net assets acquired, and the consideration paid under IFRS 3 are as follows:

	Net book value £'000	Adjustments £'000	Fair value £'000
Tangible fixed assets	2	-	2
Cash	390	-	390
Trade and other receivables	267	-	267
Trade and other payables	(328)	-	(328)
Management contracts	-	1,511	1,511
Goodwill	-	742	742
Deferred tax liability	-	(189)	(189)
Total identifiable net assets	**331**	**2,064**	**2,395**

Under the terms of the acquisition agreement, the fair value of the consideration paid to the vendors of Burlington was:

	£'000
Cash	1,027
Shares – 73,177 shares in Gresham House Limited valued at 855.0p per share on 15 March 2022	626
Total initial consideration	1,653
Contingent consideration	742
Total consideration	**2,395**

The consideration shares were admitted to trading on AIM on 21 March 2022.

5 Business combinations - continued

Contingent consideration

Contingent consideration with an expected fair value of £0.7 million will be payable to the sellers within 20 business days of publication of the accounts for the year ending 31 December 2024. This is calculated as 40% of 6.5 times the average EBITDA in three years ending 31 December 2024.

The fair value of the contingent consideration has been estimated at the date of acquisition using estimated outcomes, the probability of those outcomes and discounting this at 8.0%. Up to 50% of the contingent consideration may be settled in Gresham House Limited shares at the Company's discretion. As such this will be recognised as a liability on the balance sheet and the fair value assessed each reporting period. The fair value at the time of acquisition was calculated as £742k. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between €nil and €1.0 million.

Revenue and profits of Burlington

Burlington was acquired on 15 March 2022. The Group has recognised the following revenues and costs in respect of Burlington for the period ended 31 December 2022:

	€'000
Revenue	1,650
Profit before tax	170

Prior to acquisition by the Group, Burlington had a 31 December year end. The results for the most recent audited reporting period prior to acquisition were to 31 December 2021. Had Burlington been part of the Group for the entire reporting period the following sums would have been consolidated:

	€'000
Revenue	2,071
Profit before tax	280

Goodwill

Goodwill arises due to the excess of the fair value of the consideration payable over the fair value of the net assets acquired. It is mainly attributable to the skills of the team acquired, the synergies expected to be achieved from the acquisition and the business development potential. Goodwill arising on the Burlington acquisition is not deductible for tax purposes.

Fair value

The fair value of the management contracts has been estimated using a discounted cash flow model. The estimated cash flows have been valued at a discount of 8.0% and the management contracts are amortised over eight years.

b. DevCo Entities

The Group did not acquire any new DevCo Entities in financial year 2023. During the year the Group disposed of Coupar Limited and Worcestershire Solar 1 Ltd, realising a total net gain on disposal of £1.3 million, in addition, the Group also recognised £6.7 million in the year as a result of additional consideration from previously disposed projects (£4.8 million is unrealised gain).

The Group acquired the share capital and 100% of the voting rights in the following companies in 2022:

Company acquired	Acquisition date	Disposal date
Hazelboro Limited	31 May 2022	Not disposed of
UK Battery Storage Limited	4 March 2022	30 June 2022
Stairfoot Limited	5 May 2022	22 December 2022
GreenGridPower Limited	21 April 2022	14 October 2022

5 Business combinations - continued

The fair value of the assets acquired, and liabilities assumed on acquisition are as follows:

	Hazelboro	Stairfoot	GreenGrid Power	UK Battery Storage
	£'000	£'000	£'000	£'000
Identifiable net assets	2,453	1,819	3,482	2,686
Total consideration paid	**2,453**	**1,819**	**3,482**	**2,686**
Satisfied by:				
Cash paid	2,249	482	2,495	2,686
Deferred consideration	204	1,337	987	-
Total Consideration	**2,453**	**1,819**	**3,482**	**2,686**

The four entities acquired are held exclusively with a view of resale and will be measured as fair value less costs to sell under IFRS 5 'asset held for sale'. The Group has applied IFRS 5 alternative implementation guidance by treating each subsidiary acquisition as a single investment asset and will be remeasured at each reporting date under IFRS 5 to the lower of its initial carrying amount and the fair value less costs to sell (in accordance with the general requirements for disposal group). However, it should be noted that remeasurement will not be necessary in the subsequent period, because the entity held for sale should generally be sold in that period. The acquired entities are presented in the balance sheet as assets and liabilities held for sale under IFRS 5.

In 2022 the Group disposed of UK Battery Storage Limited, Stairfoot Limited, GreenGridPower Limited, with total realising a net gain on disposal of £2.1 million and £0.1 million from previously recovered cost.

6 Acquisition and restructuring related costs

	2023	2022
	£'000	£'000
Searchlight transaction costs	**9,174**	-
Searchlight shared-based payment and remuneration related costs	**4,299**	-
Other acquisition related costs	**583**	**239**
	14,056	239
Restructuring, integration and legal costs	**1,728**	871
DevCo acquisition and disposal costs	**-**	460
	15,784	1,570

7 Finance costs

	2023	2022
	£'000	£'000
Interest payable on bank loans	**280**	253
Finance cost on unwind of contingent consideration	**953**	1,745
Finance fees	**194**	189
Interest payable on leases	**289**	113
Other interest	**56**	-
	1,772	2,300

See Note 23 and 25 for details of borrowings.

8 IFRS 16 Leases

IFRS 16 Leases relates to leases for use of office space at various locations. As a lessee, the Group has recognised a lease liability representing the present value of the obligation of the lease payments, and a related right-of-use (ROU) asset in line with the process explained under the accounting policy.

The rate implicit in the leases is not evident and so the entities' incremental borrowing rates have been used. The incremental rate referred to by IFRS 16 indicates the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The weighted average incremental borrowing rate used on the date of initial application of the leases is 6.06%, which refers to the interest charge on the Group's revolving credit facility, this was only applicable for leases entered into prior December 2023.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the life of the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2023	2022
	£'000	£'000
ROU asset cost	**4,320**	3,044
ROU asset accumulated depreciation	**(2,006)**	(1,547)
Retained reserves *	**-**	(6)
Depreciation expense	**727**	835

* Representing the net impact of recognising the leases under IFRS 16 as at 1 January 2019 as the Group chose to not restate prior periods as a matter of practical expedience afforded by the standard. The impact on retained reserves was immaterial.

The table below summaries the maturity profile of the Group's liabilities based on contractual discounted payment at 31 December 2023 and 2022

	2023	2022
	£'000	£'000
Less than one year	**582**	790
One to two years	**806**	698
Two to five years	**1,285**	310
More than five years	-	145
	2,673	1,943

An analysis of the lease liability relating to ROU assets is as follows:

	Group		Company	
	2023	2022	**2023**	**2022**
	£'000	£'000	**£'000**	**£'000**
Balance as at 1 January	**1,943**	2,441	**1,100**	1,341
IFRS 16 remeasurement	**1,263**	(38)	**1,263**	-
Additions	**249**	20	**-**	-
Cash payments	**(891)**	(627)	**(678)**	(283)
Foreign exchange movements	**(9)**	35	**-**	-
Interest expense	**118**	112	**48**	42
As at 31 December	**2,673**	1,943	**1,733**	1,100

Please see Note 31 Financial Instruments for the maturity profile of leases.

The Group has elected not to apply IFRS 16 to:

(a) Low value leases for various IT equipment leased across the business. The maximum third-party new item price of any excluded equipment is less than £3,000. The total amount of lease payments for the year ended 31 December 2023 relating to these leases was £14,000 (2022: £19,000).

8 IFRS 16 Leases - continued

It is also noted that:

(a) the impact of lease liability and ROU asset on deferred taxes is expected to be immaterial;
(b) there were no material residual value guarantees or contractual dilapidation commitments that impacted the initial recognition value for ROU assets and lease liability;
(c) there were no purchase options for leased assets that was made available to or requested by the Group; and
(d) lease values do not include any termination penalties as the business intends to use the properties to the end of lease terms.

Lease terms are negotiated on an individual basis across all seven leases and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. No rent concessions were applied, and all lease payments are considered fixed per the lease agreement.

9 Taxation

	2023 **£'000**	2022 £'000
(a) Analysis of charge in period:		
UK Corporation tax at 23.52% (2022: 19%)	**3,264**	**4,800**
Over provision in prior year	**67**	**90**
Deferred tax	**777**	**(2,016)**
Total tax charge	**4,108**	**2,874**
(b) Factors affecting tax charge for period:		
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 23.52% (2022: 19%)	**1,674**	2,584
Tax effect of:		
Overseas tax rate difference	**79**	-
Amortisation not taxable	**-**	-
Disallowable expenses/non-taxable income	**2,912**	558
Utilisation of previously unrecognised tax losses	**-**	(404)
Over provision in prior year	**(119)**	90
Deferred tax not recognised	**10**	-
Effect of tax rate change on opening balances	-	40
Remeasurement of deferred tax	**(448)**	6
Actual tax charge	**4,108**	2,874

During the year ended 31 December 2022 the Group disposed of its entire shareholding in Gresham House Strategic Limited realising a net gain, after the offset of available brought forward tax losses, of £3,986,250. The Group has provided for the possible tax liability on this gain of £757,388 at 31 December 2022 and 31 December 2023. After consulting with external advisors, the relevant company's tax return for the year ended 31 December 2022 was submitted to HMRC on the basis this disposal meets all the conditions required under the substantial shareholding exemption. This position has not been agreed with HMRC at the point of signing the accounts.

The Company recognised a deferred tax asset of £6.1 million (2022: £1.8 million) in the current year. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different from the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

10 Adjusted Earnings

Adjusted earnings is based on adjusted operating profit after tax, which is stated after charging interest but before depreciation, amortisation, share-based payments and remuneration relating to acquisitions, profits and losses on disposal of property, plant and equipment, net performance fees, net non-core activities, net development gains and exceptional items, to provide the non-GAAP measure of the performance as an asset manager. This includes dividend and income received from investments in associates.

Net operating profit to adjusted profit

	2023 £'000	2022 £'000
Net operating profit after finance costs	**786**	**7,824**
Add back:		
Acquisition and restructuring related expenses, including finance costs related to the unwind of discount on contingent consideration	**12,009**	**3,308**
Depreciation, amortisation and gain on disposal of fixed assets	**12,046**	**12,359**
Impairment of investments	**285**	-
Variable compensation attributable to gains on development projects	**360**	975
Development project costs	**1,538**	698
Net non-core activity	**(382)**	(1)
Share-based payments relating to acquisitions	**4,299**	317
Acquisition related remuneration	**427**	1,600
Adjusted profit attributable to equity holders of the parent before tax	**31,368**	27,080
Corporation tax attributable to adjusted operating profit	**(7,842)**	(5,147)
Adjusted profit attributable to equity holders of the parent after tax	**23,526**	21,933

11 Dividends

In May 2023 the Company paid £6,053,701* which represents a final dividend for the year ended 31 December 2022 of 16.0 pence per share. A final dividend for the year ended 31 December 2022 of 10.0 pence per share totalling £3,814,818 was paid in May 2022.
Set out below is the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 1158 Corporation Tax Act 2010 are considered.

	2023 £'000	2022 £'000
Proposed final dividend for the year ended 31 December 2023 of Nil pence (2022: 16.0 pence) per share	**-**	6,124*

**The EBT waived its right to payment of dividend for the year ended 31 December 2022 which represents the difference between proposed and paid.*

12 Investments

Investments have been classified as follows:	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Non-current assets	**21,889**	**19,912**	**17,019**	12,733
Other debtors due within one year – Investment in development projects (see Note 21)	**2,650**	**3,036**	**2,650**	3,036
	24,539	**22,948**	**19,669**	15,769

A further analysis of total investments is as follows:	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Listed securities - on the London Stock Exchange	**12,447**	9,275	**11,013**	7,773
Securities dealt in under AIM	**394**	435	**394**	435
Securities dealt in under Aquis Exchange	**-**	3	**-**	3
Unlisted securities	**9,048**	10,199	**5,612**	4,522
Closing value at 31 December	**21,889**	19,912	**17,019**	12,733
Investments valued at fair value through profit and loss	**21,889**	19,912	**17,019**	12,733
Loans and receivables carried at FVTPL	**2,650**	3,036	**2,650**	3,036
	24,539	22,948	**19,669**	15,769

The movement in investments valued at fair value through profit and loss is:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Opening cost	**18,583**	10,724	**13,840**	7,722
Opening net unrealised gains/(losses)	**1,329**	2,836	**(1,107)**	586
Opening value	**19,912**	13,560	**12,733**	8,308
Movements in the year:				
Purchases at cost	**4,398**	8,825	**3,961**	7,084
Sales - proceeds	**(503)**	(1,659)	**(8)**	(1,659)
Sales - realised (losses)/gains on sales	**(765)**	693	**-**	693
Net unrealised (losses)/gains	**(1,153)**	(1,507)	**333**	(1,693)
Closing value	**21,889**	19,912	**17,019**	12,733
Closing cost	**21,713**	18,583	**17,792**	13,840
Closing net unrealised gains/(losses)	**176**	1,329	**(773)**	(1,107)
Closing value	**21,889**	19,912	**17,019**	12,733

12 Investments - continued

The movement in loans and receivables carried at fair value through profit and loss is:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Opening value	**3,036**	**3,537**	**3,036**	**3,537**
Movements in the year:				
Purchases at cost	**542**	**2,303**	**542**	**2,303**
Sales - proceeds	**(795)**	**(2,853)**	**(795)**	**(2,853)**
Net unrealised (losses) and gains	**(166)**	**49**	**(166)**	**49**
Foreign exchange movements	**33**	**-**	**33**	**-**
Closing value	**2,650**	**3,036**	**2,650**	**3,036**

Gains and losses on investments held at fair value:	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Net realised (loss)/gains on disposal	**(764)**	**694**	**-**	**693**
Net unrealised gains/(losses)	**6,091**	**(1,455)**	**168**	**(1,643)**
Net gains/(losses) on investments	**5,327**	**(761)**	**168**	**(950)**

Gains on disposal of subsidiary undertaking:	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Profit on disposal of subsidiary undertaking*	**1,335**	**2,249**	**-**	-
Total net gains on Investment	**6,662**	**1,488**	**168**	(950)

* Profit from disposal of subsidiary undertaking is from the disposal by the Group of DevCo Project; Coupar Limited.

13 Property, plant and equipment

Group 2023	Office equipment £'000	Motor vehicles £'000	Leasehold property £'000	Right of use assets £'000	Asset under construction	Total £'000
Cost						
As at 1 January	768	451	-	3,044	-	**4,263**
Additions	292	144	369	1,552	625	**2,982**
Disposals during the year	-	(126)	-	(258)	-	**(384)**
Foreign exchange movements	(2)	-	-	(19)	-	**(21)**
As at 31 December	1,058	469	369	4,319	625	**6,840**
Depreciation						
As at 1 January	367	222	-	1,547	-	**2,136**
Charge for the year	208	110	42	727	-	**1,087**
Disposals during the year	-	(66)	-	(258)	-	**(324)**
Foreign exchange movements	(1)	-	-	(10)	-	**(11)**
As at 31 December	574	266	42	2,006	-	**2,888**
Net book value as at 31 December	484	203	327	2,313	625	**3,952**

Property, plant and equipment

Group 2022	Office equipment £'000	Motor vehicles £'000	Leasehold property £'000	Right of use assets £'000	Total £'000
Cost					
As at 1 January	653	358	130	3,526	**4,667**
Additions	153	213	-	36	**402**
Additions through business combinations	8	-	-	-	**8**
Disposals during the year	(46)	(120)	(130)	(562)	**(858)**
Foreign exchange movements	-	-	-	44	**44**
As at 31 December	768	451	-	3,044	**4,263**
Depreciation					
As at 1 January	237	226	57	1,220	**1,740**
Charge for the year	158	90	16	835	**1,099**
Disposals during the year	(28)	(94)	(73)	(529)	**(724)**
Foreign exchange movements	-	-	-	21	**21**
As at 31 December	367	222	-	1,547	**2,136**
Net book value as at 31 December	401	229	-	1,497	**2,127**

13 Property, plant and equipment - continued

Company 2023	Office equipment £'000	Motor vehicles £'000	Right of use assets £'000	Leasehold improvements £'000	Total £'000
Cost					
As at 1 January	574	397	1,725	-	**2,696**
Additions	269	143	1,273	369	**2,054**
Disposals during the year	-	(126)	-	-	**(126)**
As at 31 December	843	414	2,998	369	**4,624**
Depreciation					
As at 1 January	275	168	792	-	**1,235**
Charge for the year	166	100	555	42	**863**
Disposals during the year	-	(66)	-	-	**(66)**
As at 31 December	441	202	1,347	42	**2,032**
Net book value as at 31 December	**402**	**212**	**1,651**	**327**	**2,592**

Company 2022	Office equipment £'000	Motor vehicles £'000	Right of use assets £'000	Total £'000
Cost				
As at 1 January	467	304	1,725	**2,496**
Additions	153	213	-	**366**
Disposals during the year	(46)	(120)	-	**(166)**
As at 31 December	574	397	1,725	**2,696**
Depreciation				
As at 1 January	179	172	233	**584**
Charge for the year	130	90	559	**779**
Disposals during the year	(34)	(94)	-	**(128)**
As at 31 December	275	168	792	**1,235**
Net book value as at 31 December	299	229	933	**1,461**

14 Intangible assets

Group 2023	Goodwill	Customer relationships	Contracts	Brands	IT platform development	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost						
As at 1 January	49,233	3,335	71,013	456	2,653	**126,690**
Other additions	-	-	-	-	576	**576**
Disposals during the year	-	-	-	-	(201)	**(201)**
Foreign exchange movements	(100)	-	(89)	-	-	**(189)**
As at 31 December	49,133	3,335	70,924	456	3,028	**126,876**
Amortisation						
As at 1 January	-	3,226	34,650	142	1,337	**39,355**
Charge for the year	-	54	10,204	114	617	**10,989**
Disposals during the year	-	-	-	-	(31)	**(31)**
Foreign exchange movements	-	-	(24)	-	-	**(24)**
As at 31 December	-	3,280	44,830	256	1,923	**50,289**
Net book value as at 31 December	49,133	55	26,094	200	1,105	**76,587**
Remaining amortisation period	n/a	2 years	1-22 years	3 years	1-4 years	

Group 2022	Goodwill	Customer relationships	Contracts	Brands	IT platform development	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost						
As at 1 January	48,794	3,335	68,543	456	1,958	**123,086**
Additions through business combinations	742	-	1,512	-	-	**2,254**
Other additions	-	-	759	-	695	**1,454**
Disposals during the year	(568)	-	-	-	-	**(568)**
Foreign exchange movements	265	-	199	-	-	**464**
As at 31 December	49,233	3,335	71,013	456	2,653	**126,690**
Amortisation						
As at 1 January	-	3,170	24,049	29	826	**28,074**
Charge for the year	-	56	10,568	113	511	**11,248**
Disposals during the year	-	-	-	-	-	**-**
Foreign exchange movements	-	-	33	-	-	**33**
As at 31 December	-	3,226	34,650	142	1,337	**39,355**
Net book value as at 31 December	49,233	109	36,363	314	1,316	**87,335**
Remaining amortisation period	n/a	2 years	1-22 years	3 years	1-4 years	

14 Intangible assets - continued

Goodwill can be allocated to CGUs as follows

	2023	2022
	£'000	£'000
Burlington RE Property Management Limited	**768**	786
Appian Asset Management Limited	**3,529**	3,611
Livingbridge VCT business	**12,167**	12,167
Mobeus VCT business	**15,118**	15,118
TradeRisks Limited	**5,655**	5,655
FIM, Hazel Capital and Aitchesse	**11,896**	11,896
	49,133	49,233

The Group tests whether goodwill has suffered any impairment on an annual basis.

Goodwill impairment assessment is based on the expected future returns of the relevant CGU as a whole. Goodwill has been assessed for each CGU for impairment as at 31 December 2023. This assessment includes an analysis of the recoverable amounts of the CGUs by using value in use based on forecasted cash flow models.

Each impairment model includes a 5-year cash flows with the most recent approved budget by the Board. The cash flows are based on expected fundraising and other growth factors as set out by the Group Strategic as well as the associated cost of delivering the planned revenues. The model includes the calculated terminal value as the lower of the year 5 cash flows multiplied by the acquisition EV multiple and the year 5 cash flows is then discounted.

A discount rate or weighted average cost of capital (WACC) derived from the capital asset pricing model (CAPM) has been applied to the cash flows to determine an estimate of the fair value of the business, which is used to assess whether goodwill impairment arises.

The key assumption in the cash flow projections are the terminal value and discount rate applied to the CGUs in 2023 and 2022 is as follows**:**

Discount rates:

	2023	2022
Burlington RE Property Management	**8.7%**	8.0%
Appian Asset Management Limited	**12.7%**	13.0%
Livingbridge VCT business	**12.3%**	16.0%
Mobeus VCT business	**12.3%**	14.0%
TradeRisks Limited	**7.8%**	8.0%
FIM, Hazel Capital and Aitchesse	**12.3%**	10.0%

The terminal value used in the models are based on lower end of the range. Adverse movements in an additional discount rate of up to 2% would not lead to any impairment for any of the CGUs.

Based on the annual impairment assessment performed no impairment was noted for the Group.

14 Intangible assets - continued

The assumptions used on goodwill impairment, including discount rates, and cash flow projections are described in more detail in the critical accounting estimates and judgements section of the accounting policies.

Company	**2023 IT platform development £'000**	2022 IT platform development £'000
Cost		
As at 1 January	**2,601**	**1,906**
Additions	**385**	**695**
As at 31 December	**2,986**	**2,601**
Amortisation		
As at 1 January	**1,309**	**807**
Charge for the year	**587**	**502**
As at 31 December	**1,896**	**1,309**
Net book value as at 31 December	**1,090**	**1,292**
Remaining amortisation period	**1-4 years**	1-4 years

15 Long-term receivables

	Group		**Company**	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Other debtors	**492**	1,330	**492**	492
	492	1,330	**492**	492

Other debtors consist of rental deposits and deferred consideration receivable.

16 Disposal group held for sale

The Group has invested in the development of battery storage projects, which are part of the exclusive pipeline to be sold to Gresham House Energy Storage Fund plc (GRID) when operational, and the development of solar projects (collectively known as DevCo Projects). In some instances, DevCo Projects have been sold prior to being operational, with deferred consideration payable when the project becomes operational. The DevCo Projects are held in separate SPVs, which the Group entity Gresham House Devco Limited owns 100% of the equity in, and the Group has also lent funds for the development of the projects. These loans are measured at FVTPL.

The sale of certain DevCo Projects has been agreed with GRID and is documented, including price (both fixed and variable elements of the consideration) and conditions to complete the sale. It is expected that the sale process will complete within a six to 12-month time frame, as such it has been deemed appropriate to treat the DevCo Projects as assets held for sale under IFRS 5. Specifically, they are classified as a "disposal group" held for sale, whose value will be primarily recovered by sale and is measured under fair value less cost to sell (FVLCS).

Assets acquired with a view for resell are classified as discontinued operations and falls under assets held for sale and measured at fair value less costs to sell.

The assets and liabilities of those SPVs which have been consolidated by the Group are:

	2023 £'000	2022 £'000
Assets of a disposal group held for sale	**32,708**	22,907
Liabilities of a disposal group classified as held for sale	**(22,392)**	(7,307)
	10,316	15,600

16 Disposal group held for sale - continued

The Group's interest in other DevCo Projects can be summarised as follows:

	2023	2022
	£'000	£'000
Loans and receivables brought forward	**3,036**	3,537
Additions	**409**	2,352
Disposals	**(795)**	**(2,853)**
Loans and receivables carried forward (Note 12)	**2,650**	**3,036**

The Group's total exposure to DevCo Projects is:

	2023	2022
	£'000	£'000
Net assets and liabilities of a disposal group held for sale	**10,316**	15,600
Loans and receivables	**2,650**	3,036
	12,966	18,636

An analysis of the financial results of the disposal group operation is as follow:

	2023	2022
	£'000	£'000
Revenue	**-**	-
Expenses	**(259)**	(166)
Loss for the disposal group	**(250)**	(166)

During the current year the group incorporated New Thurcroft Energy Storage Limited, which has been classified as held for sale at year end as this meets the held for sale definition under IFRS 5.

During the year the Group disposed of Coupar Limited, with total net proceeds of £2.4 million due, realising a net gain on disposal of £1.3 million.

Statement of Cash Flows

The Statement of Cash Flows includes the following amounts relating to discontinued operations:

	Group	
	2023	Restated 2022*
	£'000	**£'000**
Operating Activities	**(1,507)**	**(2,432)**
Investing Activities	**(8,869)**	**(11,372)**
Financing Activities	**12,531**	**(550)**

*Please refer to Note 35 for details.

17 Investment in subsidiaries

	Company	
	2023	Restated 2022*
Subsidiary undertakings	**£'000**	**£'000**
As at 1 January	**80,915**	**80,148**
Additions	**3,876**	**767**
As at 31 December	**84,791**	**80,915**

*Please refer to Note 35 for details.

17 Investment in subsidiaries - continued

The subsidiary undertakings of Gresham House Limited are as follows:

	Held by Company %	Held by other Group companies %	Country of incorporation and registered office
Aitchesse Limited	-	100	5 New Street Square, London EC4A 3TW, England
Deacon Commercial Development and Finance Limited	-	100	5 New Street Square, London EC4A 3TW, England
FIM Services Limited	-	100	5 New Street Square, London EC4A 3TW, England
FIM Windfarms (SC) General Partner Limited	-	100	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House Asset Management Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Asset Management Ireland Limited	-	100	42 Fitzwilliam Place, Dublin 2, Ireland
Gresham House Asset Management (Resources) Ireland Limited	-	100	42 Fitzwilliam Place, Dublin 2, Ireland
Gresham House Carry Warehousing Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Capital Partners Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Climate Transition Limited	-	100	5 New Street Square, London EC4A 3TW, England
Cockenzie Storage Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House DevCo Pipeline Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House DevCo Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House EIS Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Energy Storage Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Finance Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Forestry Limited	-	100	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House Forestry Friends and Family LP	71.4	-	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House Forestry General Partner (Ireland) Limited	-	100	1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland
Gresham House Forest Funds General Partner Limited	-	100	5 New Street Square, London EC4A 3TW England
Gresham House (General Partner) Limited	-	100	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House GP LLP	-	100	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House GP II LLP	-	100	58 Morrison Street, Edinburgh, EH3 8BP, Scotland
Gresham House Holdings Limited	100	-	5 New Street Square, London EC4A 3TW, England
Gresham House Housing Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Initial Partner Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Infrastructure Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Investment Management Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Investment Management (Guernsey) Limited	-	100	Dorey Court, Admiral Park, St Peter Port GY1 2HT, Guernsey
Gresham House Investors Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Ireland Real Estate Limited	-	100	42 Fitzwilliam Place, Dublin 2, Ireland
Gresham House (Nominees) Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House O&M Services Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Private Capital Solutions Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Private Equity Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Private Wealth Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Real Assets Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Renewable Infrastructure Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Services Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Sires General Partner LLP	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Smaller Companies Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Solar Distribution Designated Member 1 Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Solar Distribution Designated Member 2 Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House SPE Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Special Situations Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Timberland General Partner Limited	-	100	5 New Street Square, London EC4A 3TW, England

17 Investment in subsidiaries - continued

	Held by Company %	Held by other Group companies %	Country of incorporation and registered office
Gresham House Windfarms General Partner 3 Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House Value Limited	-	100	5 New Street Square, London EC4A 3TW, England
Gresham House VCT Limited	-	100	5 New Street Square, London EC4A 3TW, England
Hazelboro Limited	-	100	5 New Street Square, London EC4A 3TW, England
Lister Battery Limited	-	100	5 New Street Square, London EC4A 3TW, England
Monets Garden Battery Limited	-	100	5 New Street Square, London EC4A 3TW, England
MyFutureLiving Limited	-	100	5 New Street Square, London EC4A 3TW, England
My ReSI Home Limited	-	100	5 New Street Square, London EC4A 3TW, England
New Capital Holdings Limited	-	95	5 New Street Square, London EC4A 3TW, England
Newton Estate Limited	-	100	5 New Street Square, London EC4A 3TW, England
ReSI Capital Management GP Limited	-	100	5 New Street Square, London EC4A 3TW, England
ReSI Capital Management Limited	-	100	5 New Street Square, London EC4A 3TW, England
ReSI Property Management Limited	-	100	1st Floor, 2 Castle Street, Taunton TA1 4AS, England
Retirement Rentals Limited	-	100	1st Floor, 2 Castle Street, Taunton TA1 4AS, England
Retirement Rentals Nominee Company 1 Limited	-	100	1st Floor, 2 Castle Street, Taunton TA1 4AS, England
Security Change Limited	-	100	5 New Street Square, London EC4A 3TW, England
TradeRisks Inc	-	100	9 East Loockerman Street, Dover DE 19901, United States
TradeRisks Limited	-	100	5 New Street Square, London EC4A 3TW, England
Warwickshire Solar 1 Limited	-	100	5 New Street Square, London EC4A 3TW, England
Wolden Estates Limited	-	100	5 New Street Square, London EC4A 3TW, England
Your ReSI Home Limited	-	100	5 New Street Square, London EC4A 3TW, England
New Thurcroft Energy Storage Ltd	-	100	5 New Street Square, London EC4A 3TW, England

Gresham House Holdings Limited is the main employment entity for the UK subsidiaries. Gresham House Asset Management Limited, TradeRisks Limited, and ReSI Capital Management Limited are the FCA regulated entities.

18 Investment in associates

	2023	2022
	£'000	£'000
Opening Investment in associates	428	11,955
Share of associates' (loss)/profit	(428)	1,052
Disposals	-	(12,579)
Closing investment in associates	-	428

The above balance consists of the Group's holding in Environment Bank Limited (EBL) of 25%.

The Board believe that Gresham House Limited exercises significant influence over EBL, but not control, through its 25% equity investment.

The latest financial information of EBL was the unaudited results for the year to 31 December 2023. The assets and liabilities at that date are shown below:

	£'000
Non-current assets	261
Current assets	2,986
Current liabilities	(3,853)
Long-term liabilities	(1,976)
Net liabilities	(2,582)

The EBL unaudited statement of comprehensive income noted revenues of £1.5 million (2022: £4.6 million) and a loss before tax and total comprehensive loss of £3.4 million (2022: loss £0.7 million) for the year ended 31 December 2023.

The registered office of EBL is 35 Ballard Lane, London, England, N3 1XW.

19 Trade receivables

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts receivable within one year:				
Trade receivables	11,835	11,216	-	-
Less allowance for credit losses	-	-	-	-
	11,835	11,216	-	-

As at 31 December 2023, trade receivables of £2,499,000 (2021: £1,201,000) were 3 months or more past due but not impaired. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
3-6 months	314	886	-	-
6-9 months	602	245	-	-
More than 9 months	1,583	70	-	-
	2,499	1,201	-	-

As at 31 December 2023 there were £84,000 provided against trade receivables (2022: £nil).

The expected credit losses are estimated using a provision matrix by reference to past default experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date, such as, the impact from the inflation, and interest rates. The Group has therefore not recognised a loss allowance because historical experience has indicated that the risk profile of trade receivables is deemed low.

20 Accrued income and prepaid expenses

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Accrued income	**8,225**	8,641	**-**	-
Other debtors	**21,828**	21,217	**70**	1,689
Prepaid expenses	**1,696**	981	**-**	94
	31,749	30,839	**70**	1,783

Included within other debtors at 31 December 2023 is £17,732,000 deferred consideration receivable from DevCo Projects (2022: £10,887,000). 31 December 2022 included other debtors in Gresham House Investment Management Limited of £5,164,000 and Gresham House Forestry GP of £4,991,000 with no corresponding balance at 31 December 2023.

21 Other current assets

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Amounts owed by Group undertakings	-	-	**8,872**	26,887
Loan Receivables - Investment in development projects (see Note 12)	**2,650**	3,036	**2,650**	3,036
Loans Receivables - Other	**30,037**	-	**30,037**	-
Corporation tax recoverable	**1,973**	-	**-**	-
	34,660	3,036	**41,559**	29,923

Amounts owed by Group undertakings are repayable on demand and attract interest of between 0% and 15% per annum.

Receivables from Group undertakings and loans to Group undertakings are considered to be a low credit risk. Credit risk for these assets has not increased significantly since their initial recognition. As such, no expected credit losses have been recognised in respect of Group balances as any effect would be immaterial for the Company.

On 27 December 2023, Gresham House Limited entered into a loan agreement with Seed Bidco Limited for £30 million with repayment on demand.

22 Trade and other payables

	Group		Company	
				Restated
	2023	2022	**2023**	2022*
	£'000	£'000	**£'000**	£'000
Trade creditors	**1,203**	2,328	**-**	-
IFRS 16 lease creditor	**582**	790	**438**	653
Other creditors	**62,731**	2,006	**713**	33
Accruals and deferred income	**16,991**	24,611	**-**	10
Corporation tax payable	**-**	444	**-**	-
Contingent and Deferred consideration (Note 26)	**7,029**	10,111	**-**	-
	88,536	40,290	**1,151**	696

*Please refer to Note 35 for details.

23 Short-term borrowings

	Group		Company	
	2023	2022	**2023**	**2022**
	£'000	£'000	**£'000**	**£'000**
Loan payable – within current liabilities	**15,037**	-	**15,037**	**-**
Amounts owed to Group undertakings	**-**	-	**42,188**	**1,541**
	15,037	-	**57,225**	**1,541**

On 20 December 2023, Gresham House Limited entered into a loan agreement with Seed Bidco Limited for £15 million with payment on demand. The loan is interest bearing at a rate agreed between the lender and the borrower.

Amounts owed to Group undertakings are non-interest bearing and repayable on demand.

24 Deferred taxation

Under International Accounting Standard (IAS) 12 (Income Taxes) provision is made for the deferred tax liability associated with the recognition of the management contracts and customer relationships as part of the 100% acquisition of FIM, TradeRisks, Appian, Burlington, and the acquisition of the Mobeus VCT business. This has been initially recognised at 17% for FIM, 19% for TradeRisks, 12.5% for Appian, 12.5% for Burlington and 24% for Mobeus of the fair value of the intangible assets at acquisition and reassessed each year end, with the movement being recognised in the income statement.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2022: 19%). The increase in the main rate of corporation tax to 25% was substantively enacted with effect from April 2023. This new rate has been applied to deferred tax balances which are expected to reverse after 1 April 2023.

As at 31 December 2023 the deferred tax liability was £8,512,000 (2022: £9,155,000).

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered.

The Group has recognised £nil (2022: £nil) in respect of these differences. The Company has recognised £Nil (2022: £66,000) in respect of these differences.

The movement on the deferred tax account is as shown below:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Balance as at 1 January	**(7,353)**	(8,400)	**66**	92
Deferred tax recognised in profit and loss	**(777)**	2,016	**(157)**	(26)
Deferred tax recognised in equity	**5,766**	(498)	**-**	-
	(2,364)	(6,882)	**(91)**	66
Arising on business combinations	**-**	(471)	**-**	-
Balance as at 31 December	**(2,364)**	(7,353)	**(91)**	66

	Group		Company	
	2023	Restated 2022*	**2023**	2022
	£'000	£'000	**£'000**	£'000
Deferred tax asset			**-**	66
Deferred tax liability	**(2,364)**	(7,353)	**(91)**	-
	(2,364)	(7,353)	**(91)**	66

*Refer to Note 35 for further details

The deferred tax asset/(liability) is made up as follows:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Capital allowances	**(288)**	(317)	**(280)**	(317)
Tax losses	**6,299**	383	**189**	383
Timing differences	**(1,604)**	(76)	**-**	-
Share based payments	**-**	1,812	**-**	-
Intangible assets	**(6,771)**	(9,155)	**-**	-
Total	**(2,364)**	(7,353)	**(91)**	66

25 Long-term borrowings

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Bank loans	**-**	-	**-**	-
	-	-	**-**	-

As part of the Searchlight acquisition, the Group exited the revolving credit facility agreement with Banco Santander SA of £20 million.

26 Non-current liabilities – other creditors

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Contingent and deferred consideration	**693**	3,752	**-**	-
IFRS 16 lease creditor	**2,091**	1,154	**1,295**	447
Other liabilities	**-**	341	**-**	-
	2,784	5,247	**1,295**	447

Contingent and deferred consideration

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Current contingent and deferred consideration	**7,029**	10,111	**-**	-
Non-current contingent and deferred consideration	**693**	3,752	**-**	-
	7,722	13,863	**-**	-

Contingent consideration paid in the year was £6.0 million. Contingent consideration paid in 2022 was £10.1 million (£0.4 million and £0.8 million was also paid in the year but form part of the partner consideration and reclassified as such in the year (2022: £0.8m).

TradeRisks

Payments totalling £0.8 million were paid to the sellers during 2023.

Appian

Contingent consideration with an expected fair value of £0.8 million will be payable in cash to the sellers based on the following:

- 1.4 times year two earnings, payable on 30 June 2023. The expected fair value as at 31 December 2022 was £0.8 million and was settled in 2023;
- 1.4 times year three earnings, payable on 30 June 2024. The expected fair value as at 31 December 2023 is £0.8 million;
- up to €0.75 million payable on 30 June 2024 based on certain AUM and earnings targets. The expected fair value as at 31 December 2023 is nil.

The fair value of the contingent consideration has been estimated using expected outcomes and discounting this at 13.0%. The full value recognised at year end is contingent.

Mobeus

Contingent consideration totalling a maximum of £9.7 million will be payable in cash to the sellers based on the following:

- £4.1 million was paid in January 2023 following the retention of the management contracts;
- £2.9 million payable on 31 December 2023 subject to the retention of the management contracts;
- a maximum of £1.9 million payable after three years subject to the retention of the management contracts; and
- a maximum of £0.8 million payable in three years subject to fundraising and AUM targets.

The fair value of the contingent consideration has been estimated using expected outcomes, the probability of those outcomes and discounting this at 12.0%. In the financial year 2023, £4.1 million of the deferred consideration was paid. The expected fair value as at 31 December 2023 is £5.1 million. £5.3 million of the total consideration payable at year end has no estimation uncertainty.

Burlington

Contingent consideration with an expected fair value of £0.7 million will be payable to the sellers within 20 business days of publication of the accounts for the year ending 31 December 2024. This is calculated as 40% of 6.5 times the average EBITDA in three years ending 31 December 2024.

The fair value of the contingent consideration has been estimated at the date of acquisition using estimated outcomes, the probability of those outcomes and discounting this at 8.0%. As such this will be recognised as a liability on the balance sheet and the fair value assessed each reporting period. The fair value at the at 31 December 2023 £0.7 million. The full value recognised at year end is contingent.

26 Non-current liabilities – other creditors - continued

DevCo Projects

DevCo projects also have contingent consideration which are payable once certain operational matrices are met as per the SPA. GreenGridPower £0.1 million and Stairfoot £1.0 million.

27 Share capital

	2023 £'000	2022 £'000
Allotted: Ordinary – 42,431,525 (2022: 38,273,996) fully paid shares of 25 pence	**10,608**	9,568

During the year the Company issued the following new ordinary shares:

- 4,157,529 shares on 19 December 2023 at par into the Gresham House Employee Benefit Trust.

The Gresham House Employee Benefit Trust (EBT) held zero shares in the Company at 31 December 2023.

The Group entire issued share capital was acquired by Seed Bidco Limited (Bidco) on 19 December 2023.

28 Share based payments

The acquisition by Bidco triggered a change in control event and the following share based payments schemes vested in full on date of change of control (CoC). Each of the shares that settled with the individuals were acquired by Bidco at the offer price of £11.05.

The below table provides a summary of the share based payment schemes that vested on the change of control and the charges that have been recognised in the income statement in the year:

	LTIP 2020	**LTIP 2021**	**LTIP 2022**	**LTIP 2023**	**BSM 2020**	**BSM 2021**	**BSM 2022**	**SAYE 2022**	**SAYE 2023**	**Other / Cash settled**	**Total**
Gross shares vested on CoC	2,843,128	46,698	277,854	76,664	375,312	564,489	442,946	59,539	17,891	-	4,704,521
2023 P&L charge (£k)	1,420	198	522	115	63	160	118	26	19	858	3,499
Accelerated P&L charge (£k)	1,446	43	754	404	16	307	415	118	95	-	3,598
Total P&L charge (£k)	**2,866**	**241**	**1,276**	**519**	**79**	**467**	**533**	**144**	**114**	**858**	**7,097**
Net settlement value at CoC (£k)	16,651	273*	1,627	482	2,198	3,306	2,594	658	198	270	28,257

**This excludes £163,000 that was net settled in 2023 and prior to the CoC.*

*** The table above includes Mobeus VC long-term incentive plan, Strategic Equity takeover scheme and certain PSP 2023 scheme that the company elected to settled in cash.*

****The above table reflects the gross shares used to settle the awards and includes dividend equivalent shares for those schemes that include dividend equivalent shares.*

***** The net settlement value at CoC reflects the amount received after tax by individuals.*

For the settlement of the share based payment awards (excluding SAYEs), the Company received the gross amount from Bidco at a value of £11.05 per share on behalf of the Employee Benefit Trust, i.e. acting as Agent. The Company settled the amounts net of tax with the individuals and paid the employee's tax obligation associated with the vested shares to HMRC on the employee's behalf. Total cash received as part of the settlement amounted to £51.3m.

2021 Long-term incentive plan
The Remuneration Committee considered and implemented a long-term incentive arrangement in 2021 (2021 LTIP).

Under the 2021 LTIP, 109,448 deferred shares were awarded to the wider members of the business, with a fair value at award of £0.9 million. The 2021 LTIP is a deferred share award, which vests in three years from the date of award subject to the team remaining employed by the Company as at the vesting date. There is no staggered vesting period, vesting is at the end date in three years' time.

An award was made to a member of the Housing (Real Estate) division in January 2021. The number of Gresham House plc shares delivered at the vesting date was calculated by the fee earning assets under management raised in Housing funds up until the vesting date of 31 March 2023, multiplied by 0.07%, plus assets under management deployed multiplied by 0.03%, in aggregate divided by the average share price on issue. The fair value at the date of award was £0.2 million.

The acquisition by Bidco triggered a change in control event and the scheme vested in full on date of change of control. Each of the shares used to settle the award were acquired by Bidco at £11.05. The income statement charge for the period is £0.2 million (include accelerated charge of £43,000). This was equity settled and the net settlement value in the period is £0.5 million (£0.2 million settled at CoC).

2022 Long-term incentive plan
The Remuneration Committee considered and implemented a long-term incentive arrangement in 2022 (2022 LTIP).

Under the 2022 LTIP, 283,167 shares were awarded to wider members of the business with a fair value of £2.3 million at award. These awards vest in three to four years' time and there are no performance conditions.

There were a number of share based payment awards made under the 2022 LTIP to address specific long-term incentives for key individuals in the Group with specific measures and conditions to incentivise and retain the individuals concerned. These were as follows:

An award was made to certain members of the Forestry team in May 2022 for 219,379 shares to be delivered at vesting on 16 March 2025, subject to the achievement EBITDA hurdles over the three financial years to 31 December 2024.

The acquisition by Bidco triggered a change in control event and certain schemes (certain individuals and the Forestry Team) vested in full on date of change of control. Each of the shares used to settle the award were acquired by Bidco at £11.05. The income statement charge for the period is £1.3 million (include accelerated charge of £0.8 million). This was equity settled and the net settlement value in the period is £1.6 million.

An award was made to one of the Housing team members in March 2022. The number of Gresham House plc shares delivered at the vesting date is calculated by the fee earning assets under management raised in a new fund up until the vesting date of 31 December 2023, multiplied by 0.15%, divided by the average share price on issue. The fair value at the date of award was £0.1 million. The performance condition was not met at CoC, as such, this award lapsed without value.

An award was made to certain members of the Strategic Equity team in August 2022. The number of Gresham House plc shares delivered at the vesting date is calculated by taking 50% of the cumulative Operating Profit of the division above a hurdle cumulative Operating Profit amount for the three years to 31 December 2025. Performance condition was not met at CoC, as such, this award lapsed without value.

An award was made to certain members of the Strategic Equity team in August 2022. The number of Gresham House plc shares delivered at the vesting date is calculated as the AUM increase at the date of change of control above £741 million in the Public Equity division, multiplied by 2.5%, multiplied by 12.5%. This scheme only vests when a takeover of the Company has taken place. The acquisition by Bidco triggered a change in control event. The scheme had a fair value of £0.7 million and 50% was paid in 2023 and the remaining 50% to be paid on first anniversary of change of control. This is a cash settled award.

2023 Long-term incentive plan
The Remuneration Committee considered and implemented a long-term incentive arrangement in 2023 (2023 LTIP).

Under the 2023 LTIP, 76,664 shares were awarded to wider members of the business with a fair value of £0.7 million at award. These awards vest in three years' time and there are no performance conditions. These awards were made under the 2023 LTIP to address specific long-term incentives for key individuals in the Group with specific measures and conditions to incentivise and retain the individuals concerned.

The acquisition by Bidco triggered a change in control event and the scheme vested in full on date of change of control. Each of the shares used to settle the awards were acquired by Bidco at £11.05. The income statement charge for the period is £0.5 million (include accelerated charge of £0.4 million). This was equity settled and the net settlement value in the period is £0.5 million.

PSP 2023 scheme that the company elected to settled in cash

An award was made to two members of the business in 2023 with a fair value of £0.1 million. These awards vest in three years' time and there are no performance conditions. These awards are equity settled awards, however, the Company elected to settled these in cash. The acquisition by Bidco triggered a change in control event and the schemes vest in full on date of change of control. The value of the award was determined by the number of shares that would have been used to settle the award at a price of £11.05. The income statement charge for the period is £0.1 million and the net settlement value in the period is £0.1 million.

2020 Long-term incentive plan
The Remuneration Committee implemented the 2020 long-term incentive plan (2020 LTIP) in December 2020 to incentivise the management team as well as align their interests with those of shareholders through enhancing shareholder value. This scheme replaced the 2016 LTIP which had vested and was exercised by the majority of the management team during 2020.

The 2020 LTIP pool principles state that the value of the awards will be driven by the total return to shareholders over (i) 1 January 2020 to 31 December 2023 (the first measurement period) and (ii) 1 January 2020 to 31 December 2024 (the second measurement period).

In the event that total return to shareholders over the first measurement period is 7% p.a. (Performance Hurdle) or more, a maximum related plan pool of value equal to 7.5% of such total return may arise. In the event that total return to shareholders is more than the Performance Hurdle over the second measurement period, a maximum of 15% of such total return to shareholders may arise (less any pool value distributed under the awards in respect of the first measurement period).

Return to shareholders for such purposes shall be measured from a base value of £165,706,250, being the 90-day average market capitalisation of the Company to 1 January 2020, to the respective 90-day market capitalisation averaging periods at each of the measurement periods and shall include the value of dividends (assumed reinvested) and other capital (if any) returned. Appropriate adjustments to the required minimum 7% p.a. level of growth in return shall be made in respect of any capital raised during the measurement periods.

IFRS 2: Share-based payments sets out the criteria for an equity-settled share-based payment, which has market performance conditions. The 2020 LTIP meets these criteria and should therefore be recognised at award at fair value and amortised over the vesting period of four years from the date of award.

The acquisition by Bidco triggered a change in control event and the scheme vested in full on the date of change of control. Each of the shares used to settle the award were acquired by Bidco at £11.05. The income statement charge for the period is £2.9 million (include accelerated charge of £1.5 million). This was equity settled and the net settlement value in the period is £16.7 million.

TradeRisks long-term incentive plan
The TradeRisks long-term incentive plan is an equity settled incentive scheme and considered an acquisition related share based payment. The recipients of the scheme will receive 50% of EBITDA above the agreed Housing division (now known as Real Estate division) target EBITDA over the three year period to 5 March 2023. The fair value of this plan at award was nil and the award lapsed without value in the year.

Mobeus VC long-term incentive plan
The Mobeus VC long-term incentive plan is an equity-settled incentive scheme and considered an acquisition related share-based payment. The recipients of the scheme will receive £1.3 million in aggregate in Gresham House plc shares based on the three-year period to 1 October 2024. This scheme does not vest on CoC and will continue vest over the vesting period. It is envisaged that the plan will be settled in cash.

Bonus share matching plan
The Company introduced in 2016 a share matching plan linked to the discretionary annual bonus scheme to encourage management and employees to invest in the long-term growth of the Company.

Subject to Remuneration Committee approval, management and employees entitled to a bonus may be permitted (but not required) to defer and reinvest up to 50% of their annual bonus into ordinary shares which will be released to them after three years together with any additional matching shares subject to performance criteria set out below. In January 2023 the Remuneration Committee approved the reinvestment of up to 50% of annual bonuses into ordinary shares by management and employees subject to a maximum amount of £100,000 (2022: 50% subject to a maximum amount of £100,000).

In the event that the Company achieves a mid-market closing price equal to 7% per annum compound growth from the date of deferral, the participants will receive 50% of the matching shares benefit. In the event that the Company's share price outperforms the FTSE All Share Index from the date of deferral, the participants will receive 50% of the matching shares.

Shares will be awarded in the ratio one share for each share invested. In the event that this performance condition is not met, the participants will receive only the ordinary shares acquired with the deferred bonus.

The bonus shares to be awarded after the three-year period and subject to performance conditions have been fair valued using a Monte Carlo simulation. The key variables include the risk-free rate and volatility of the Company share price.

The acquisition by Bidco triggered a change in control event and all the Bonus Share Matching schemes vested in full on date of change of control. Each of the BSM shares used to settle the awards were acquired by Bidco at £11.05. For the BSM 2020-2022 schemes, the income statement charge for the period is £1.1 million (include accelerated charge of £0.7 million). This was equity settled and the net settlement value in the period is £8.1 million.

Save as you earn (SAYE) scheme

In 2018 the Remuneration Committee approved a SAYE scheme for the benefit of all employees of the Group whereby employees can save up to £500 per month over a three-year period. At the end of the three-year period the employees have an option to purchase Company shares at the agreed exercise price or receive their savings in cash. The exercise price for the 2022 scheme is 665.6 pence.

The acquisition by Bidco triggered a change in control event and all the SAYE schemes vested in full on date of change of control. Each of the shares used to settle the SAYE scheme were acquired by Bidco at £11.05. The income statement charge for the period is £0.3 million (include accelerated charge of £0.2 million). This was equity settled and schemes are capital in nature and as such no tax liability was withheld by the Group. The settlement value in the period is £0.9 million.

29 Reserves

	2023					2022				
	Share premium account	**Merger reserve**	**Treasury shares**	**Foreign exchange reserve**	**Retained reserves**	Share premium account	Merger reserve	Treasury shares	Foreign exchange reserve	Retained reserves
Group										
Balance as at 1 January	**39,328**	**25,419**	**(1,092)**	**480**	**76,340**	39,328	24,811	(51)	(158)	73,032
Profit and total comprehensive income	**-**	**-**	**-**	**(167)**	**2,933**	-	-	-	638	10,706
Issue of shares	**-**	**-**	**-**	**-**	**-**	-	608	(1,041)	-	-
Share-based payments	**-**	**-**	**1,092**	**-**	**(658)**	-	-	-	-	(3,583)
Tax on share based payments	**-**	**-**	**-**	**-**	**9,022**	-	-	-	-	-
Dividends paid	**-**	**-**	**-**	**-**	**(6,054)**	-	-	-	-	(3,815)
As at 31 December	**39,328**	**25,419**	**-**	**313**	**81,583**	39,328	25,419	(1,092)	480	76,340

	2023			Restated 2022*		
	Share premium account	**Merger reserve**	**Retained reserves**	Share premium account	Merger reserve	Retained reserves
Company	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Balance as at 1 January	39,328	25,419	53,660	**39,328**	**24,811**	**60,704**
Prior year adjustment	-	-	982	**-**	**-**	**-**
As at 1 January 2023	**39,328**	**25,419**	**54,642**	**39,328**	**24,811**	**60,704**
Loss and total comprehensive loss	-	-	(15,123)			(3,014)
Issue of shares	-	-	-	-	608	-
Share-based payments	-	-	3,502	-	-	767
Dividends paid	-	-	(6,054)	-	-	(3,815)
As at 31 December	**39,328**	**25,419**	**36,967**	**39,328**	**25,419**	**54,642**

*Please refer to Note 35 for details.

	2023	2022
Non-controlling interest:	**£'000**	£'000
Balance as at 1 January	**1,095**	1,075
Interest in trading result for the year	**75**	20
As at 31 December	**1,170**	1,095

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share premium account	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the acquisition method.
Treasury shares	Weighted average cost of own shares held in treasury and by the GH EBT
Foreign exchange reserve	Gains and losses arising on retranslating the net assets of overseas operations into sterling.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

30 Notes to the statements of cash flows

a) Reconciliation of operating profit/(loss) to operating cash flows

	Group		Company	
	2023	Restated 2022*	**2023**	Restated 2022*
	£'000	£'000	**£'000**	£'000
Net operating profit/(loss) after finance costs	**786**	7,824	**(14,969)**	(1,771)
Profit/(loss) from discontinued operations	**259**	(177)	**-**	-
Interest payable	**1,772**	2,300	**519**	238
Interest receivable	**(542)**	-	**(1,411)**	-
Depreciation	**1,087**	1,155	**1,450**	779
Fair value gains on investments	**-**	-	**(200)**	-
Loss on disposal of property, plant and equipment	**(28)**	(44)	**(28)**	(44)
Amortisation	**10,987**	11,248	**-**	503
Share-based payments	**7,097**	3,566	**-**	-
Impairment of loan	**-**	-	**6,136**	-
Non-cash intercompany movements	**-**	-	**617**	**-**
Acquisition related remuneration	**427**	1,917	**-**	**-**
	21,845	**27,789**	**(7,886)**	**(295)**
Increase in long-term receivables	**-**	(838)	**-**	**-**
(Increase)/decrease in current assets	**612**	(12,062)	**102**	**(256)**
Increase in current liabilities	**2,552**	225	**660**	**512**
	25,009	**15,114**	**(7,124)**	**(39)**

*Please refer to Note 35 for details

b) Non-cash investing and financing activities

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Acquisition of right-of-use assets (Notes 8 and 13)	**249**	20	**-**	-
Partial settlement of business combinations through the issue of shares (Notes 5 and 27)	**-**	627	**-**	-
	249	647	**-**	-

30 Notes to the statements of cash flows – continue

c) Net debt reconciliation

	Group		Company	
	2023	2022 Restated*	**2023**	2022
	£'000	£'000	**£'000**	£'000
Cash and cash equivalents	**75,662**	32,205	**24,471**	2,976
Borrowings	**(15,037)**	-	**(15,037)**	-
Liabilities of a disposal group held for sale - financing	**(19,427)**	(6,896)	**-**	-
Amounts owed to Group undertakings	**-**	-	**(42,188)**	(1,541)
Lease liabilities (Note 8)	**(2,673)**	(1,944)	**(1,733)**	(1,100)
Net cash	**38,525**	23,365	**(34,487)**	335

*Refer to note 35 for further details.

Group	Liabilities of a disposal group held for sale £'000	Net borrowings £'000	Leases £'000	Cash £'000	**Total £'000**
Net (debt)/cash at 1 January 2022	(7,446)	-	(2,441)	40,252	**30,365**
Cash flows	550	-	553	(8,047)	**(6,944)**
New leases	-	-	(20)	-	**(20)**
Foreign exchange movements	-	-	(36)	-	**(36)**
Net (debt)/cash at 31 December 2022	(6,896)	-	(1,944)	32,205	**23,365**
Cash flows	(12,531)	(15,000)	891	43,457	**16,817**
New leases	-	-	(259)	-	**(259)**
Other movements	-	(37)	(1,375)	-	**(1,412)**
Foreign exchange movements	-	-	14	-	**14**
Net (debt)/cash at 31 December 2023	(19,427)	(15,037)	(2,673)	75,662	**38,525**

Company	Net borrowings £'000	Leases £'000	Cash £'000	**Total £'000**
Net (debt)/cash at 1 January 2022	(1,136)	(1,341)	23,800	**21,323**
Cash flows	756	283	(20,824)	**(19,785)**
Non-cash intercompany movements	(774)	-	-	**(774)**
Other movements		(42)	-	**(42)**
Net (debt)/cash at 31 December 2022	(1,154)	(1,100)	2,976	**722**
Cash flows	(55,068)	679	21,495	**(32,894)**
Other movements	(1,003)	(49)	-	**(1,052)**
New lease	-	(1,263)	-	**(1,263)**
Net (debt) /cash at 31 December 2023	(57,225)	(1,733)	24,471	**(34,487)**

31 Financial instruments

The Group consists of the Company and subsidiary undertakings whose principal activities are asset management.

The Group's financial instruments, which are held in accordance with the Group's objectives and policies, comprise:

(i) securities consisting of listed and unlisted equity share
(ii) a portfolio unlisted fixed income securities
(iii) cash, liquid resources and short-term debtors and creditors that arise directly from its operational activities; and
(iv) short-term and long-term borrowings.

As at 31 December 2023 the following categories of financial instruments were held by:

Group	**2023**		2022	
	Assets at amortised cost	**Assets at fair value through profit or loss**	Assets at amortised cost	Assets at fair value through profit or loss
Financial assets per Statement of Financial Position	**£'000**	**£'000**	£'000	£'000
Investments	**-**	**21,889**	-	19,912
Loans and receivables	**30,037**	**2,650**	-	3,036
Trade and other receivables – current and non-current	**20,552**	**-**	21,187	-
Accrued income and other debtors	**21,828**	**-**	21,217	-
Cash and cash equivalents	**75,662**	**-**	32,205	-
	148,079	**24,539**	74,609	22,948

	2023		2022	
	Other financial liabilities at amortised cost	**Liabilities at fair value through profit or loss**	Other financial liabilities at amortised cost	Liabilities at fair value through profit or loss
Financial liabilities per Statement of Financial Position	**£'000**	**£'000**	£'000	£'000
Trade and other payables – short-term	**46,401**	**7,029**	28,390	10,111
Other loans – short and long-term	**15,037**	**-**	-	-
Other creditors - long-term	**2,091**	**693**	1,154	3,752
	63,529	**7,722**	29,544	13,863

Company	**2023**		2022	
	Assets at amortised cost	**Assets at fair value through profit or loss**	Assets at amortised cost	Assets at fair value through profit or loss
Financial assets per Statement of Financial Position	**£'000**	**£'000**	£'000	£'000
Investments	**-**	**17,019**	-	12,733
Loans and receivables	**30,037**	**11,348**	-	3,036
Trade and other receivables – current and non-current	**492**	**-**	2,181	-
Amounts owed by Group undertakings	**244**	**-**	26,887	-
Cash and cash equivalents	**24,471**	**-**	2,976	-
	55,244	**28,367**	32,044	15,769

31 Financial instruments - continued

	2023		2022	
Financial liabilities per Statement of Financial Position	**Other financial liabilities at amortised cost £'000**	**Liabilities at fair value through profit or loss £'000**	Other financial liabilities at amortised cost £'000	Liabilities at fair value through profit or loss £'000
Trade and other payables – short-term	1,151	-	911	-
Trade and other payables – long-term	1,295	-	447	-
Other loans – short and long-term	57,228	-	1,541	-
Bank loans – short and long-term	-	-	-	-
	59,674	**-**	**2,899**	**-**

The carrying value of loans and receivables and other financial liabilities are not materially different to their fair values. The Group's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The main risks to which the Group is exposed are market price risk, credit risk, interest rate risk and liquidity risk. The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Group are summarised below.

Market price risk
Market price risk is the risk that changes in market prices will adversely affect the Group's income due to a decline in the underlying value of assets under management, resulting in lower fees.

The objective of market price risk management is to manage and control market price exposure, while optimising the return on risk. The Group manages strategic equity funds, which are exposed to market prices. Forestry asset management fees are not linked directly to market prices.

Market price risk arises from uncertainty about the future prices of financial instruments held within the Group's portfolio. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements. The investments in equity and fixed interest stocks of unquoted companies are not traded and as such the prices are more uncertain than those of more widely traded securities.

Unquoted investments are valued as per accounting policy (j) in these financial statements. Regular reviews of the financial results, combined with close contact with the management of these investments, provides sufficient information to support these valuations.

Foreign currency risk
The Group is not materially exposed to currency risk as its assets and liabilities are substantially denominated in Sterling.

Credit risk
Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Group.

The Group's maximum exposure to credit risk is:

	2023 £'000	**2022 £'000**
Loan stock investments	2,650	3,036
Deferred receivable – short and long-term	21,828	21,217
Trade and other receivables – short-term	11,835	11,216
Accrued income and other debtors	9,921	9,622
Cash and cash equivalents	75,662	32,205
	121,896	**77,296**

The Group has an exposure to credit risk in respect of both loan stock investments and other loans, most of which have no security attached to them, or where they do, such security will rank after any bank debt. The Company's exposure to credit risk is restricted to investments, cash and cash equivalents, other loans, amounts owed by Group undertakings and accrued income totalling £42,903,000 (2022: £47,813,000).

Cash and cash equivalents consist of cash in hand and balances with banks. To reduce the risk of counterparty default the Group deposits its surplus funds in approved high-quality banks.

The following table shows the maturity of the loan stock investments and other loans referred to above:

	2023	2022
Loan stock investments	£'000	£'000
Repayable within: - 1 year	2,650	3,036
1-2 years	-	-
2-3 years	-	-
3-4 years	-	-
4-5 years	-	-
	2,650	**3,036**

As at 31 December 2023 loan stock investments totalling £nil (2022: £nil) were impaired and provided for.
As at 31 December 2023 other loans totalling £nil (2023: £nil) were impaired and provided for.

There is potentially a risk whereby a counterparty fails to deliver securities which the Company has paid for or pay for securities which the Company has delivered. This risk is considered to be small as where the transaction is in respect of quoted investments the Company uses brokers with a high credit quality and where the transaction is in respect of unquoted investments, these are conducted through solicitors to ensure that payment matches delivery.

Interest rate risk
The Group's fixed and floating interest rate securities, equity, preference equity investments and loans and net revenue may be affected by interest rate movements. Investments in small businesses are relatively high-risk investments which are sensitive to interest rate fluctuations.

The Group's assets include fixed and floating rate interest instruments as detailed below. The Group is exposed to interest rate movements on its floating rate liabilities.

The interest rate exposure profile of the Group's financial assets and liabilities as at 31 December 2023 and 2022 were:

Group	**Non-interest-bearing assets/ liabilities**	**Fixed rate assets**	**Floating rate assets**	**Fixed rate liabilities**	**Floating rate liabilities**	**Net total**
As at 31 December 2023	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Investments	21,889	2,650	-	-	-	24,539
Cash	-	-	75,662	-	-	75,662
Trade and other receivables	20,552	-	30,037	-	-	50,589
Accrued income and other debtors	21,828	-	-	-	-	21,828
Creditors						
– falling due within 1 year	(54,822)	-	-	(582)	-	(55,404)
– falling due after 1 year	-	-	-	(2,091)	(15,037)	(17,128)
	9,447	**2,650**	**105,699**	**(2,673)**	**(15,037)**	**100,086**

	Non-interest-bearing assets/ liabilities	**Fixed rate assets**	**Floating rate assets**	**Fixed rate liabilities**	**Floating rate liabilities**	**Net total**
As at 31 December 2022	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Investments	19,912	3,036	-	-	-	22,948
Cash	-	-	32,205	-	-	32,205
Trade and other receivables	21,187	-	-	-	-	21,187
Accrued income and other debtors	21,217	-	-	-	-	21,217
Creditors						
– falling due within 1 year	(27,600)	-	-	(790)	-	(28,390)
– falling due after 1 year	-	-	-	(1,154)	-	(1,154)
	34,716	**3,036**	**32,205**	**(1,944)**	**-**	**68,013**

Non-interest-bearing assets comprise the portfolio of ordinary shares, dealing securities and non-interest-bearing loans.

31 Financial instruments - continued

Fixed rate assets comprise fixed rate loans, unsecured loans and loans repayable on demand, with a weighted average interest rate of 13.6% (2022: 15.0%).

Floating rate assets and floating rate liability loans are subject to interest rates which are based on SONIA and bank base rates.

Fixed rate liabilities include lease creditors.

The interest rate exposure profile of the Company's financial assets and liabilities as at 31 December 2023 and 2022 were:

Company **As at 31 December 2023**	**Non-interest-bearing assets/ liabilities £'000**	**Fixed rate assets £'000**	**Floating rate assets £'000**	**Fixed rate liabilities £'000**	**Floating rate liabilities £'000**	**Net total £'000**
Investments - securities	17,019	2,650	-	-	-	19,669
Cash	-	-	24,471	-	-	24,471
Accrued income and other debtors	492	-	30,037	-	-	30,529
Amounts owed by Group undertakings	244	-	-	-	-	244
Creditors						
– falling due within 1 year	(42,904)	-	-	(438)	(15,037)	(58,379)
– falling due after 1 year	-	-	-	(1,295)	-	(1,295)
	(25,149)	**2,650**	**54,508**	**(1,733)**	**(15,037)**	**15,239**

As at 31 December 2022	**Non-interest-bearing assets/ liabilities £'000**	**Fixed rate assets £'000**	**Floating rate assets £'000**	**Fixed rate liabilities £'000**	**Floating rate liabilities £'000**	**Net total £'000**
Investments - securities	12,733	3,038	-	-	-	15,771
Cash	-	-	2,976	-	-	2,976
Accrued income and other debtors	2,181	-	-	-	-	2,181
Amounts owed by Group undertakings	26,887	-	-	-	-	26,887
Creditors						
– falling due within 1 year	(1,799)	-	-	(653)	-	(2,452)
– falling due after 1 year	-	-	-	(447)	-	(447)
	40,002	**3,038**	**2,976**	**(1,100)**	**-**	**44,916**

Although the Group holds investments that pay interest, the Board does not consider it appropriate to assess the impact of interest rate changes upon the value of the investment portfolio as interest rate changes are only one factor affecting market price and the impact is likely to be immaterial. The Group had entered into a loan arrangement in December 2023, the interest on the loan is 3.75% plus SONIA, a 1% increase or decrease would have an immaterial impact on the interest recognised in the current year, this assessment has not been performed for the year ending 31 December 2022, as the group had no borrowings. Any change to the interest rates on the floating rate assets and liabilities is immaterial to the Group.

Liquidity risk
The investments in equity investments in Aquis Exchange traded companies may be difficult to realise at their carrying value, particularly if the investment represents a significant holding in the investee company. Similarly, investments in equity and fixed interest stocks of unquoted companies that the Company holds are only traded infrequently. They are not readily realisable and may not be realised at their carrying value where there are no willing purchasers.

The Group acceded to the revolving credit facility after 31 December 2023, which it has available to manage liquidity risk as required.

31 Financial instruments - continued

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2023	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Leases	779	948	1,285	-
Trade payables	1,203	-	-	-
Accruals	16,992	-	-	-
Contingent and deferred consideration	8,067	766	-	-
Loan payable	15,037	-	-	-
Other creditors	62,731	-	-	-
	104,809	**1,714**	**1,285**	**-**

As at 31 December 2022	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000
Leases	874	632	464	220
Trade payables	2,328	-	-	-
Accruals	24,612	-	-	
Contingent and deferred consideration	7,939	7,374	1,114	-
Other creditors	2,006	-	-	-
	37,759	**8,006**	**1,578**	**220**

Capital risk management

The Group manages its capital to ensure that entities within the Group and the Company will be able to continue to trade in an orderly fashion whilst maintaining sustainable returns to shareholders.

The capital structure of the Group and the Company consists of short and long-term borrowings as disclosed in Notes 23 and 25, cash and cash equivalents and equity attributable to equity shareholders of the Company comprising issued share capital, share premium, merger reserve, treasury shares, foreign exchange reserve and retained reserves as disclosed in Notes 27, 28 and 29. The Board reviews the capital structure of the Group and the Company on a regular basis to ensure it complies with all regulatory capital requirements. The financial measures that are subject to review include cash flow projections and the ability to meet capital expenditure and other contracted commitments, projected gearing levels and interest covenants, although no absolute targets are set for these.

The Group aims to hold sufficient cash to fulfil its requirements with respect to regulatory capital. During the year the Group and its subsidiary entities complied with all regulatory capital requirements.

	Group		Company	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Debt	**(17,710)**	(1,944)	**(16,770)**	(1,100)
Amounts owed by Group undertakings	**-**	-	**244**	25,346
Cash and cash equivalents	**75,662**	32,205	**24,471**	2,976
Net assets	**158,421**	151,138	**112,322**	127,975
Net cash	**57,952**	30,261	**7,945**	27,222
Net cash as a % of net assets	**36.58%**	20.0%	**8.62%**	21.27%

32 Fair value measurements

Valuation inputs

IFRS 13 Fair Value Measurement - requires an entity to classify its financial assets and liabilities held at fair value according to a hierarchy that reflects the significance of observable market inputs. The classification of these assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined below.

Quoted market prices – Level 1
Financial instruments, the valuation of which is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs – Level 2
Financial instruments that have been valued using inputs other than quoted prices as described for Level 1, but which are observable for the asset or liability, either directly or indirectly. Loans from the development project is at Level 2.

Valuation technique using significant unobservable inputs – Level 3
Financial instruments, the valuation of which incorporates significant inputs for the asset or liability that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or analytical techniques.

Where investments are in a fund, the net asset value of the fund is used to determine the fair value of the investment. The net asset value is typically prepared by the manager of that specific fund and provided to the Group as an investor. The Group reviews the valuation and uses this as the Level 3 assessment of fair value.

The valuation techniques used by the Company for Level 3 financial assets can be found in accounting policy (j) (ii).

Investments in the unlisted securities includes investments in four separate funds where the valuation methodology is considered a Level 3 assessment.

One of the funds invests in a large number of forestry assets. The forestry assets are held at fair value in the underlying fund. An independent valuation of the forests within the underlying fund is performed annually by forestry valuation experts by reference to comparable market transactions for each underlying forestry asset that considers factors including location, maturity of the forest and size. There is no reasonable change in the inputs in each of the underlying assets, which would give rise to a material adjustment to the fair value of the investment.

The remaining three investments in funds are measured using the fair value of the net asset value provided by the manager of those funds, which are reviewed by the appropriate investment committee and the inputs used are unobservable. The valuations provided by the managers have been reviewed for appropriateness with reference to market observable data where relevant and concluded to not be materially different to that proposed.

The unlisted company valuation has been prepared in line with the International Private Equity Valuation Guidelines.

Further details of the securities portfolio can be found in Note 12 of these financial statements.

An analysis of the Group's and Company's assets measured at fair value by hierarchy is set out below.

Group	**31 December 2023 £'000**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets at fair value through profit and loss				
Investments				
- Equities	21,889	12,841	-	9,048
- Loans	2,650	-	2,650	-
	24,539	**12,841**	**2,650**	**9,048**

32 Fair value measurements - continued

	31 December 2022 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit and loss				
Investments				
- Equities	19,912	9,710		10,202
- Loans	3,036	-	3,036	
	22,948	**9,710**	3,036	**10,202**

Company	31 December 2023 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit and loss				
Investments				
- Equities	17,019	11,407	-	5,612
- Loans	2,650	-	2,650	-
	19,669	**11,407**	**2,650**	**5,612**

Company	31 December 2022 £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Financial assets at fair value through profit and loss				
Investments				
- Equities	12,733	8,210	-	4,523
- Loans	3,036	-	3,036	-
	15,769	**8,210**	**3,036**	**4,523**

Set out below is a reconciliation of financial assets measured at fair value based on Level 3.

Group 31 December 2023	Investments - securities £'000	Trade and other receivables £'000	Total £'000
Opening balance	10,199	-	10,199
Total losses:			
In Statement of Comprehensive Income	(1,961)	-	(1,961)
Additions	1,311	-	1,311
Disposals	(501)	-	(501)
Closing balance	9,048	-	9,048
Total losses for the year included in comprehensive income for assets held at the end of the reporting period	(1,961)	-	(1,961)

32 Fair value measurements - continued

Group 31 December 2022	**Investments-securities £'000**	**Trade and other receivables £'000**	**Total £'000**
Opening balance	7,199	-	7,199
Total gains:			
In Statement of Comprehensive Income	468	-	468
Additions	3,042	-	3,042
Disposals	(511)	-	(511)
Closing balance	10,198	-	10,198
Total gains/(losses) for the year included in comprehensive income for assets held at the end of the reporting period	468	**-**	468

Level 3 fair value measurements are these derived from valuation techniques that include significant inputs that are not based on observable market data. As at 31 December 2023, the Group has £9.0 million in Level 3 Assets measured at fair value, of which £8.3 million are in Real Assets Funds and £0.7 million in Private Equity investments.

The Group investments in Real Assets Funds includes Gresham House Growth Fund, Gresham House BSI Housing and Infrastructure LPs, Gresham House BSIF II LP and Gresham House ReSI LP. The Group uses the funds' net asset value (NAV) as the basis for their fair value with valuation performed on an annual basis by an external valuer in accordance with industry valuation standards.

Realised and unrealised gains and losses for Level 3 Assets are reported in Gains and losses on investments held at fair value in the Consolidated Statement of Comprehensive Income.

Company **31 December 2023**	**Investments £'000**	**Total £'000**
Opening balance	4,522	4,522
Total losses:	(215)	(215)
In Statement of Comprehensive Income		
Additions	1,311	1,311
Disposals	(6)	(6)
Closing balance	5,612	5,612
Total losses for the year included in comprehensive income for assets held at the end of the reporting period	(215)	(215)

Company **31 December 2022**	**Investments £'000**	**Total £'000**
Opening balance	3,385	3,385
Total losses:	(143)	(143)
In Statement of Comprehensive Income		
Additions	1,792	1,792
Disposals	(512)	(512)
Closing balance	4,522	4,522
Total losses for the year included in comprehensive income for assets held at the end of the reporting period	**(143)**	**(143)**

The only financial liabilities held at fair value relate to the deferred consideration on the acquisition of Appian Asset Management Limited, the DevCo Projects, Burlington RE Property Management Limited and the acquisition of the VCT business of Mobeus amounting to £7,722,000 (2022: £13,864,000). This is measured using Level 3 valuation techniques. There were no such financial liabilities held at fair value within the Company.

32 Fair value measurements - continued

Price risk sensitivity

Based on values as at 31 December 2023 a 10% movement in the fair values of 100% of the Group's equity investments would be equivalent to a movement of £2,189,000 in both profit and net assets.

33 Related party transactions

Controlling party

The Company's immediate parent undertaking is SeedBidCo Limited, a company registered in Guernsey.

The ultimate controlling party is Searchlight Capital Partners III SED, L.P. a Cayman Limited Partnership.

Group

During the year the group and parent company were acquired by SeedBidco Limited. SeedBidco Limited advanced £15.0 million to the group and parent company. The group and parent company have advanced £30.0 million to SeedBidco Limited. Both loans are interest bearing at 3.75% plus SONIA.

Company

During the year the following transactions occurred with Group companies:

31 December 2023

	Advanced to £	Received from £	Interest charged £	Balance due from / (due to) £
Security Change Limited	-	2,234	-	(1,129,598)
Gresham House Finance Limited	-	-	-	221,400
Gresham House (Nominees) Limited	-	-	-	22,202
Gresham House Asset Management Ltd	2,513,977	25,828,012	-	(23,314,035)
Wolden Estates Limited	30,607	-	-	(30,607)
Gresham House Holdings Limited	14,021,241	46,181,411	-	(9,916,420)
Resi Capital Management Limited	-	7,400,000	-	(7,400,000)
TradeRisks Ltd	-	400,000	-	(400,000)
Gresham House EBT	4,793,909	-	-	292,336
Warwickshire Solar 1 Ltd	748,124	-	-	529,124
Lister Battery Limited	531,739	-	215,907	1,255,734
Monets Garden Battery Limited	720,333	-	258,016	1,574,386
Cockenzie Storage Limited	775,272	-	61,857	880,206
New Thurcroft Energy Storage Ltd	266,973	-	13,578	266,973
Gresham House Devco Pipeline Ltd	1,110,624	-	72,085	1,110,624
Hazelboro Limited	2,493,166	-	207,864	2,716,674

At the year end the shareholder loan to the Gresham House EBT was impaired by £6,134,000 leaving a balance due of £292,336.

33 Related party transactions - continued

31 December 2022

	Advanced to	Received from	Interest charged	Balance due from / (due to)
	£	£	£	£
Security Change Limited	13,804	5,264	-	(1,127,364)
Gresham House Finance Limited	-	-	-	221,400
Gresham House (Nominees) Limited	11,000	-	-	22,202
Gresham House Holdings Limited	30,868,005	19,577,397	-	22,243,750
Gresham House EBT	1,632,455	-	-	1,632,455
Worcestershire Solar 1 Ltd	2,091,903	-	-	2,091,903
Warwickshire Solar 1 Ltd	554,944	773,944	-	(219,000)
Lister Battery Limited	30,200	-	54,499	723,995
Monets Garden Battery Limited	30,176	-	63,933	854,053
Arbroath Limited	1,770	38,469	2,541	-
Coupar Limited	-	-	1,387	20,038
Cockenzie Storage Limited	104,934	-	-	104,934
Hazelboro Limited	445,250	263,484	73,742	223,506

During the year the Company has income of £347,000 from DevCo Group Entities.

34 Subsequent Events

Post period end the following events had taken place:

- The group had settled all share-based payments that had vested in December 2023, total cash outflows of £52.5 million has been paid to individuals and HMRC for PAYE and employees and employers' national insurance.
- The Company and Gresham House Holdings Limited have acceded to the debt documents in place with Hamburg Commercial Bank AG and SeedBidco transferring the initial drawdown of £15 million from SeedBidco to the Company and drawing a further £12 million in February 2024.

35 Prior Year Restatement

The prior period Company Statement of Financial Position and Statement of Changes in Equity has been restated for the correction of the recognition of a share-based payment expense and related national insurance accrual that were recorded in error as these share options relate to employees of a subsidiary and should have been capitalised as an addition to investments. The impact of the prior year has been summarised in the table below. There is no impact on the Group. There is no impact arising on taxation or cash flows from the correction of this item.

	£'000
Statement of Financial Position	
Increase in Investment in Subsidiaries	767
Decrease in Accruals	(215)
Statement of Comprehensive Income	
Total Comprehensive Loss for the year ending 31 December 2022	(3,996)
Increase in Comprehensive Income for the year	982
Restated Total Comprehensive Loss for the year ending 31 December 2022	(3,014)
Statement of Changes in Equity	
Balance at 31 December 2022	53,660
Prior year restatement	982
Balance at 1 January 2023	54,642

The prior period Group Statement of Cash Flows has been restated to correct the classification of contingent and deferred consideration payments made to comply with the accounting policy as set out in the Material Accounting Policies. The impact has been summarised below

	£'000
Consolidated Statement of Cashflows	
Decrease in Operating Activities	(2,010)
Increase in Investing Activities	2,010

The prior period Group Statement of Cash Flows has been restated to correct the classification of share-based payments settled during the year. The impact has been summarised below

	£'000
Consolidated Statement of Cashflows	
Decrease in Operating Activities	(6,774)
Increase in Financing Activities	6,774

The prior period Group Statement of Cash Flows has been restated to correct the classification of the cashflows relating to the Disposal Groups held for sale. The impact has been summarised below

	£'000
Consolidated Statement of Cashflows	
Decrease in Operating Activities	(2,432)
Increase in Investing Activities	2,982
Increase in Financing Activities	(550)

The prior period Group Statement of Financial Position has been restated to offset the deferred tax asset and liability. The impact has been summarised below.

	2022			2021		
Impact on the Statement of Financial Position	**Previously reported £'000**	**Effect of Change £'000**	**Restated £'000**	**Previously reported £'000**	**Effect of Change £'000**	**Restated £'000**
Deferred Tax Assets	1,802	(1,802)	-	2,197	(2,197)	-
Deferred Tax Liabilities	(9,155)	1,802	(7,353)	(10,597)	2,197	(8,400)

Corporate information

Company Number	871 incorporated in England	
Directors		
	Anthony Dalwood	Chief Executive Officer
	Kevin Acton	Chief Financial Officer
	Rupert Guy Robertson	Managing Director
	Carl Ludwig Oliver Haarmann	Non-Executive
	Giles William Marshall	Non-Executive
	James Richard Studdard Redmayne	Non-Executive
Secretary	Samee Khan	
Registered Office	5 New Street Square London EC4A 3TW	
Auditor	BDO LLP 55 Baker Street London W1U 7EU	
Nominated Adviser and Joint Broker (prior to the Company delisting)	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR	
Financial Adviser and Joint Broker (prior to the Company delisting)	Jefferies International Limited 100 Bishopsgate London EC2N 4JL	
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen West Midlands B62 8HD	
Solicitors	Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS	

Funds

UK
Gresham House Strategic Public Equity LP
LF Gresham House UK Micro Cap Fund
LF Gresham House UK Multi Cap Income Fund
LF Gresham House UK Smaller Companies Fund
Strategic Equity Capital plc

Ireland
Gresham House Global Multi-Asset Fund
Gresham House Global Equity Fund
Gresham House Global Small Company Fund
Gresham House Euro Liquidity Fund
Gresham House Global Thematic Multi-Asset Fund

Private Equity

Baronsmead Venture Trust plc
Baronsmead Second Venture Trust plc
Mobeus Income & Growth VCT plc
Mobeus Income & Growth VCT 2 plc
Mobeus Income & Growth VCT 4 plc
The Income & Growth VCT plc
Gresham House Private Equity Release Special Partner LP

Forestry

Gresham House Forest Growth & Sustainability LP
Gresham House Sustainable Timber and Energy LP
Gresham House Forest Fund I LP
Gresham House Timberland LP
The Forestry Partnership 2008 LLP
Gresham House Forestry Fund LP
Managed accounts
Irish Strategic Forestry Fund LP
Gresham House Forest Fund VI LP
Gresham House Sustainable International Forestry Fund

New Energy & Sustainable Infrastructure

Gresham House Energy Storage Fund plc
Gresham House Renewable Energy VCT 1 plc
Gresham House Renewable Energy VCT 2 plc
Gresham House Solar Distribution LLP
Gresham House Wind Energy LP
Gresham House Wind Energy 1 plc
Gresham House BSIF I LP
Gresham House BSIF II LP
Gresham House Renewable Energy LP
Gresham House Secure Income from Renewable Energy & Storage

Real Estate

UK
Gresham House BSI Housing LP
Residential Secure Income plc (ReSI REIT)
Gresham House Residential Secure Income LP

Ireland
Gresham House Commercial Property Fund