# Annual Report & Financial Statements
For the year ended 31 December 2024

Think value investing, think Temple Bar.

TEMPLE BAR
Investment Trust Plc

## 01. Objective

The investment objective of Temple Bar Investment Trust Plc* is to provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK-listed securities. The Company's policy is to invest in a broad spread of securities with the majority of the portfolio typically selected from the constituents of the FTSE 350 Index.

## 02. Purpose

The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments.

Think value investing, think Temple Bar.

* "Temple Bar", the "Trust" or the "Company"

# Contents

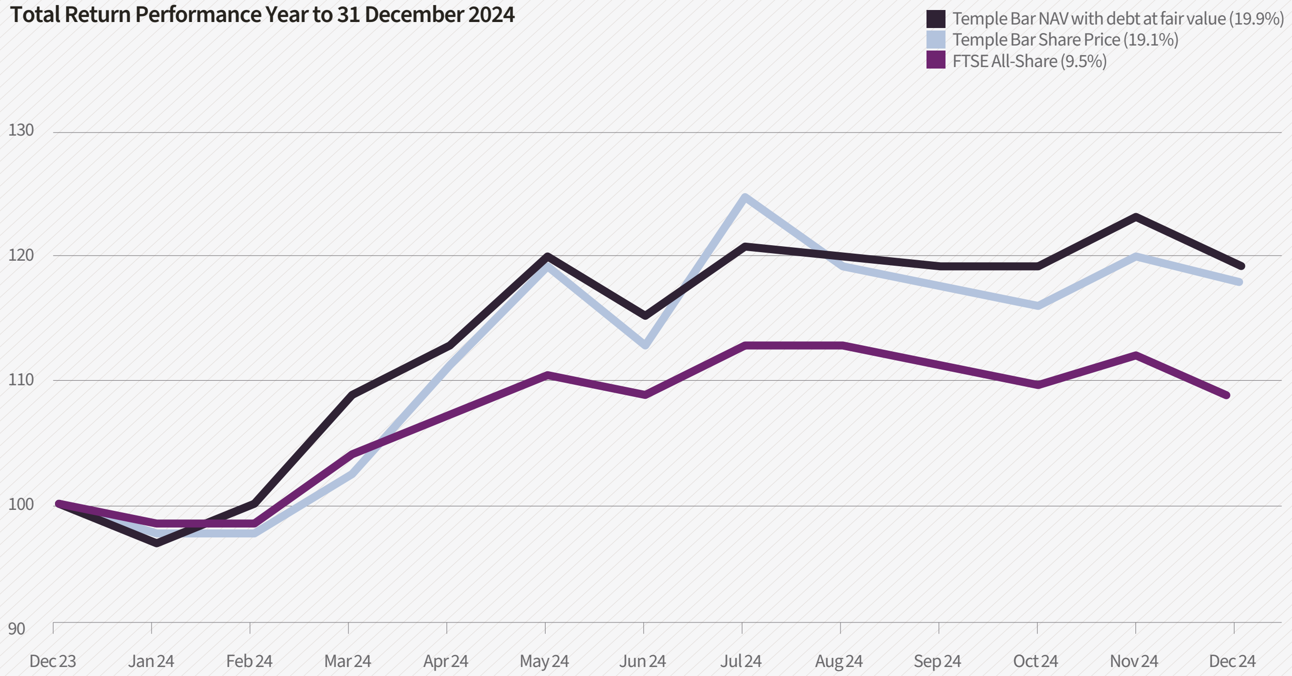
# Strategic Report

# Summary of Results

| | 2024 | 2023 | % change |
|---|---|---|---|
| NAV total return with debt at fair value[1,2,3] | 19.9% | 12.3% | |
| Share price total return[1,3] | 19.1% | 12.5% | |
| FTSE All-Share Index (the "Benchmark")[4] | 9.5% | 7.9% | |
| Change in Retail Price Index over year[5] | 3.5% | 5.2% | |
| NAV per share with debt at book value | 286.2p | 248.0p | 15.4% |
| NAV per share with debt at fair value[1,2] | 291.1p | 252.2p | 15.4% |
| Share price | 272.0p | 238.0p | 14.3% |
| Discount of share price to NAV per share with debt at fair value[1] | 6.6% | 5.6% | |
| Dividends per share | 11.25p | 9.60p | 17.2% |
| Dividend Yield[1] | 4.1% | 4.0% | |
| Net gearing with debt at book value[1] | 8.4% | 9.8% | |
| Ongoing charges[1] | 0.61% | 0.56% | |

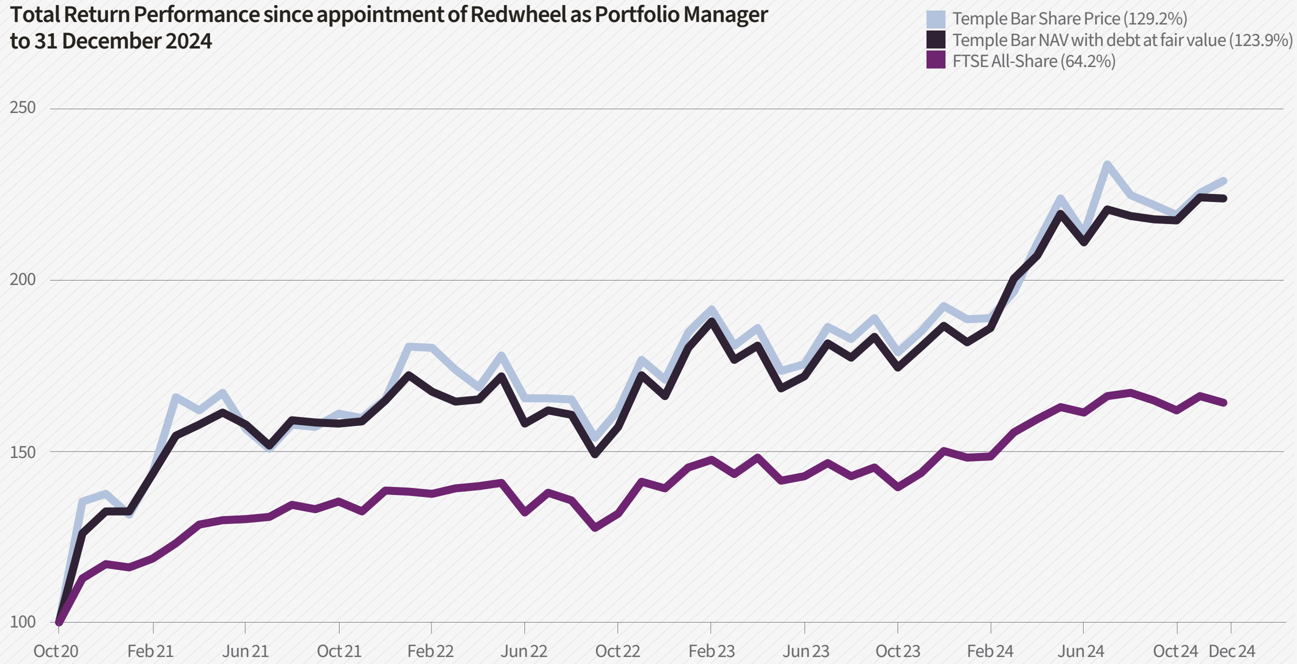
[1] Alternative Performance Measure – See glossary of terms beginning on page 99 for definition and more information.
[2] Debt fair value is calculated based on unobservable input, see note 20 beginning on page 89.
[3] Source: Frostrow.
[4] Source: Redwheel.
[5] Source: ons.gov.uk.

## Total Return Performance Year to 31 December 2024




Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns.
Rebased to 100 as at 31 December 2023.

## Total Return Performance since appointment of Redwheel as Portfolio Manager to 31 December 2024




Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns.
Rebased to 100 as at 30 October 2020, the date of appointment of Redwheel, the trading name of RWC Asset Management LLP.

# Chairman's Statement

## Review

I am pleased to report that both the Trust's Net Asset Value total return and the share price total return again outperformed the Trust's Benchmark, the FTSE All-Share Index, by a significant margin. The Net Asset Value total return with debt at fair value was +19.9%, the share price total return was +19.1%, and the total return on the FTSE All-Share Index was +9.5%.

Since Redwheel took over the management of the Trust at the end of October 2020, the Net Asset Value total return to the end of 2024 has been 123.9% compared with 64.2% for the Benchmark, again a significant outperformance.

## Discount Management

Challenging stock market conditions have continued to have a negative impact on share price discounts across the investment company sector, with the average level of discount standing at c.13.2%* for equity investment trusts, compared to the Trust's discount of 4.3% as at 19 March 2025. The Board has continued with its active share buyback policy, purchasing 5,217,257 shares to be held in treasury for a total consideration of £12.7m during the year. These buybacks not only have the effect of stabilising the supply/ demand balance but are also accretive to the Trust's Net Asset Value, adding 0.4p per share to our year-end Net Asset Value.

On 31 December 2024, there were 285,395,624 shares in issue (excluding the 48,968,201 shares held in treasury). Since this date to 19 March 2025, a further 791,246 shares have been bought back for treasury, at a cost of £2.2m.

## Portfolio

The level of portfolio turnover^ fell in 2024 to 11.6% (2023: 16.9%), with our Portfolio Manager being generally satisfied with the positioning of the portfolio.

Further details of the Portfolio Manager's investment approach, portfolio construction and significant contributors to and detractors from return in the year can be found in the Portfolio Manager's Report.

At the year end, the Trust's net gearing was 8.4% (2023: 9.8%).

## Dividend and Future Dividend Policy

Total dividends for the year amounted to 11.25p per share (2023: 9.60p per share), an increase of 17.2% and representing a current yield of 3.7%.

The Board closely monitors the Trust's net revenue position and, based on the latest forecasts, expects future annual dividends to increase from this level over time.

In recent years, companies have been altering the nature of their distributions to shareholders. Increasingly, they have been looking to provide investors with a return via share buybacks either alongside or instead of dividends.

Unlike dividends, which are recognised as revenue in your Company's accounts, and which underpin the dividends we pay, buybacks by portfolio companies have not contributed to the distributions paid to our shareholders.

In order to address this distributional shift in the behaviour of portfolio companies, your Company is proposing to amend its dividend policy to enhance the dividend it pays by paying an additional 3.0p per share per annum (0.75p per share per quarter) using our capital reserves, thereby adding equivalent to c.1.0% of current net assets to the total annual dividend. This revised dividend policy would see the recent quarterly dividends declared by the Company of 3.0p per share rise to 3.75p per share, representing an annualised dividend yield of c.5.0%, based on the share price at the time of writing. Subject to the approval of the dividend policy at the Annual General Meeting, this policy will become effective from the first interim dividend in respect of the 2025 financial year. This policy will be kept under review and may be amended should the manner in which UK listed companies choose to pay returns to their shareholders change further.

## Investment Policy

The Portfolio Manager's report highlights the fact that the UK stock market continues to be out of favour with investors. While the resulting poor valuations provide our Portfolio Manager with attractive entry points when building an investment position, the continued poor perception of the UK market will, ultimately, lead to a reduction in the breadth of investment opportunities

* Source: Cavendish Securities

^ See glossary for definition

open to your Company as companies look to IPO elsewhere and currently listed companies leave the UK market through redomiciling, takeover, or being taken private.

A consequence of increased de-equitisation in the UK market is the concentration of dividend payments from a narrower group of UK index constituents. The top 20 dividend payers in the FTSE All-Share Index now account for around 74% of the index dividend.

Our Portfolio Manager informs us that the UK investable universe of listed companies greater than £1bn is now around 201 companies, 21 of which we already hold. Whilst for now, we believe that leaves our Portfolio Manager with an opportunity set large enough to meet our current restrictions, this will have to be monitored closely if the trend of delisting from London continues. As a result, your Board regularly reviews the appropriateness of its current UK-focused investment policy. Should the opportunities offered by UK listed companies reduce materially, the Board may in the future propose a broadening of the investment policy to increase the ability of our Portfolio Manager to access overseas opportunities beyond the current 30% limit. Any such proposal will require shareholder approval.

## Environmental, Social & Governance ("ESG") Issues

ESG matters continue to be an important priority for the Board and our objective remains to have full disclosure on the topic. The Board continues to request that our Portfolio Manager monitors, evaluates and actively engages with investee companies with the aim of preserving or adding value to the portfolio. Our Portfolio Manager reports back to the Board regularly on ESG related matters. Further details can be found in the Portfolio Manager's Report.

## The Board

I have served on the Board since 2017, and became Chairman in 2023. It is my intention, therefore, to retire from the Board at or before the Company's Annual General Meeting in 2026 dependent on the progress of succession plans. Plans to refresh the Board are currently being finalised.

Annual General Meeting ("AGM") The AGM this year will be held at Barber-Surgeons' Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL, on Tuesday, 6 May 2025 at 11.30am.

Shareholders are welcome to attend in person where you will be able to hear a presentation from the portfolio management team Nick Purves and Ian Lance and also to meet the Board of Directors.

I very much look forward to seeing as many shareholders as possible this year. For those investors who are not able to attend the meeting in person, a video recording of the Portfolio Manager's presentation will be uploaded to the website after the meeting. Shareholders can submit questions in advance by writing to the Company Secretary at info@frostrow.com.

Shareholders are invited to register their vote in advance by 11.30am on Thursday, 1 May 2025 at the latest.

The votes on the resolutions to be proposed at the AGM will be conducted on a poll. The results of the proxy votes will be published following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website: www.templebarinvestments.co.uk.

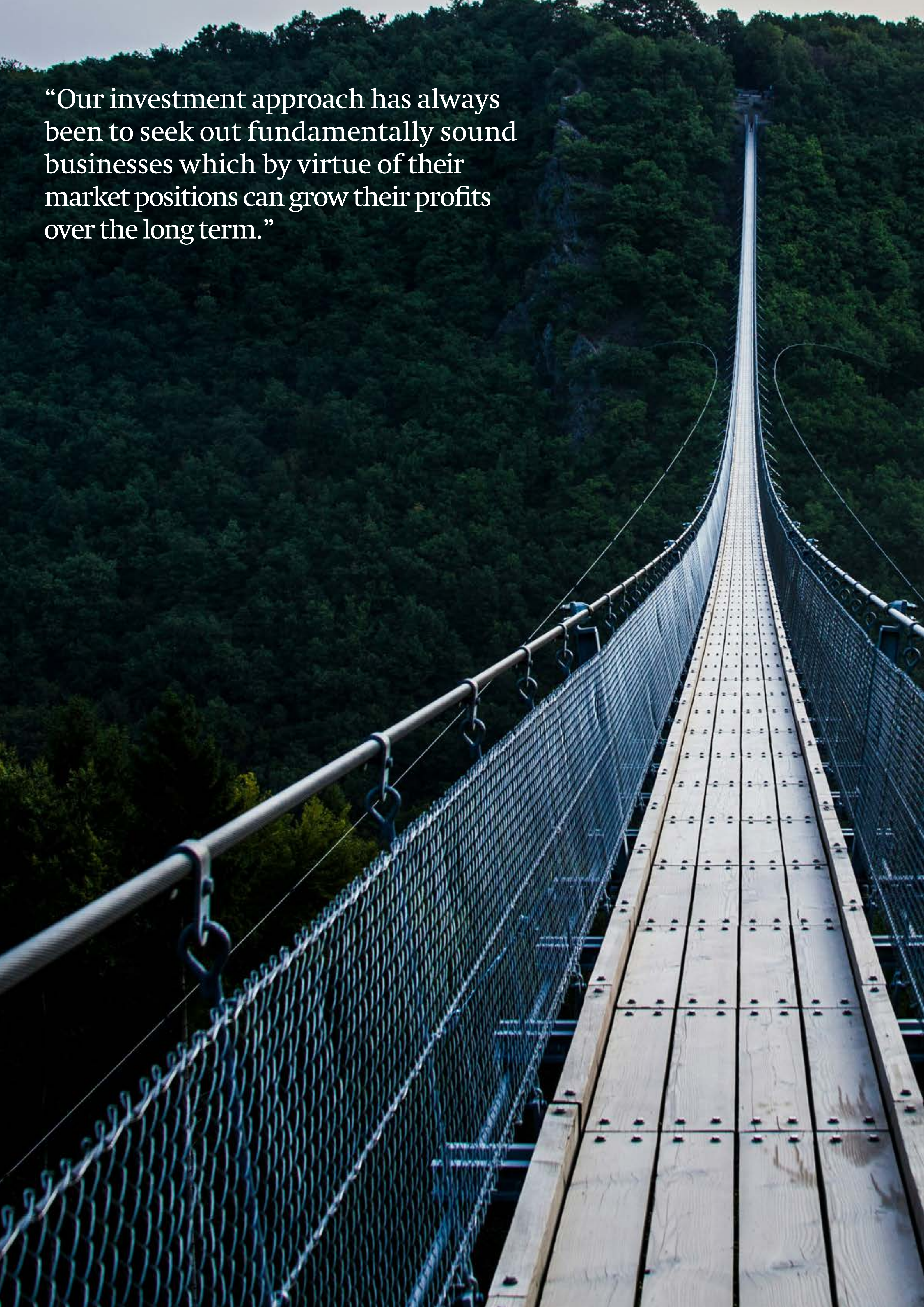
## Outlook

Against a backdrop of continued, albeit slower than anticipated, growth from the UK economy in 2025, the valuation of UK equities continues to look compelling compared to their equivalents overseas.

Your Board shares the view of our Portfolio Manager that the Trust's portfolio is priced to offer shareholders further excess investment returns in the future. Accordingly, we believe that long-term investors in the Trust will continue to be rewarded.

**Richard Wyatt**
Chairman
20 March 2025

"Our investment approach has always been to seek out fundamentally sound businesses which by virtue of their market positions can grow their profits over the long term."



# Investment Approach

## A classic approach to value investing

The portfolio management team of Nick Purves and Ian Lance are long-term intrinsic value investors who believe that short-term sentiment amongst many market participants causes them to overreact to news, which has little or no impact on the long-run value of a business. This overreaction causes share prices to diverge from the intrinsic value of the underlying business and provides an opportunity for long-term investors to purchase shares at less than their true value. In the long term the share price tends to move closer to the intrinsic value of the business and this creates excess returns for investors who purchased shares at low valuations. The team form a view of a company's long-run profit potential and make balance sheet adjustments to assess intrinsic value. They use their experience and knowledge of companies and sectors to identify those companies that are more likely to recover and improve in the future.

## Identifying quality and avoiding value traps

Some value strategies simply apply mechanistic measures to identify undervalued stocks but this can lead to investing in businesses that are in structural decline; they may be cheap but their potential to recover is limited. Instead, the portfolio management team's 'intrinsic value' approach aims to identify undervalued, yet good, quality companies with strong cash flows and robust balance sheets. The portfolio management team put a strong emphasis on financial strength because it gives them the confidence that a company can survive through a prolonged period of lower profitability caused by company-specific issues, or an unexpected downturn in the economy.

## As Temple Bar's Portfolio Manager, Redwheel aims to avoid lower-quality stocks or so called 'value traps' by monitoring companies against three different types of risk:

**Valuation** – extrapolating favourable trends and paying more than the intrinsic value of the business (e.g. avoiding a situation where something is positively impacting a company's share price in the short term but that isn't sustainable longer term);

**Earnings** – the risk that the earnings of the Company decline for cyclical or secular reasons (e.g. the industry or sector that the business operates in is itself in cyclical or long-term decline); and

**ESG** – unethical or neglectful behaviour by a company in one of these areas can harm those who invest as well as the environment or society in which a company is located. We believe that applying ESG best practices, such as consideration of environmental and product safety, workplace diversity and strong corporate governance can contribute to long-term investment returns while mitigating risks.

In the diagram overleaf Redwheel has set out some of the key factors it considers when seeking to uncover the most compelling value opportunities.

# 10 Pillars of value investing

## Ian Lance and Nick Purves believe value investing is making a comeback. With more than six decades of combined experience in UK equities, here's how they do it.

**Consider probabilities and payoffs**
No matter the research, there are always surprises, positive and negative. Think best and worst case scenarios. If we think a share price could go to zero in one scenario, but has 400% upside in another, there is probably a case for investing.

**Enhance, don't drift**
Discipline is key to value investing –stick to your philosophy, you're here for the long run. Always look to improve and adapt as things change.

**Simple but not easy**
Buying shares for less than their worth then selling when the value has been realised is easy to understand. But most don't invest this way due to a lack of 'sticking with it'. Value investing is tricky – we are hard-wired to conform – but can be rewarding.

**Cycles, cycles, cycles**
Profits and share prices are impacted by cycles such as credit, commodity and business. An investor's overreaction can throw up opportunities. An advantage lies in knowing which cycles impact an investment and where we are in that cycle.

**Be contrarian but not mindless contrarian**
Investors love to buy what everyone else hates. But having respect for what the market is saying is key. Eagerly buying shares being sold in companies with too much debt, or declining profits, can prove costly and mindlessly contrarian.

**Don't buy rubbish**
Recently the market has become fixated with quality and growth. Quality and growth are intrinsic to a business's value. We've had success when high quality businesses have been questioned by the market, resulting in low value entry.

**Bargains are rare, make the most of them**
It's unlikely that you're going to buy a business trading at half its intrinsic value. However, a company or an industry will suffer a drawdown at some stage, which may present an opportunity to buy at a good value.

**Adopt an absolute return mindset**
Value investing is a risk averse strategy born out of a reaction to the Great Depression. By buying a dollar of value for 50 cents, you build in a 'margin of safety' in case the economy and/or the stock market suffer. Value investors see risk as the risk of permanent capital impairment, so invest with this at top of your mind.

**Be patient, be long term**
A struggling, out-of-favour business is unlikely to turn around the day after you invest. It's more likely that things continue to get worse, so we try to be patient, allowing for profitability to improve and for the market to recognise it. Our typical holding period is at least five years.

**There is no single correct method**
Value investing relies on estimating the intrinsic worth of a business. Our experience tells us to be flexible, by adjusting earnings for cyclicality, and to recognise the positive (hidden value), and the negative (e.g. pension fund deficit), on a balance sheet.

# Portfolio Manager's Report

# The Portfolio Manager's Team

Nick Purves

Ian Lance

**How would you describe your investment approach?**
We are value investors. This means that we invest the Trust's assets in companies whose stock market value is at a significant discount to our assessment of the fair or intrinsic value of the business. Investing in under-valued companies provides two benefits. First, it provides investors with a margin of safety if events don't unfold in a way that investors would have hoped and second, they can expect to receive an excess investment return as and when this undervaluation is corrected by the stock market.

**What evidence is there supporting this style of investment?**
Numerous academic studies have shown that systematically investing in lowly valued companies has seen investors enjoy an excess long-term investment return above the wider stock market, even though it is often these companies that are seen to operate in the most challenged industries. We believe the reason for this outperformance comes down to psychological factors where investors systematically overpay for those companies whose prospects are seen to be the most attractive, whilst being too quick to overlook or dismiss companies where the outlook is more difficult. By investing the Trust's assets in lowly valued companies, we aim to take advantage of these behavioural inconsistencies to the benefit of the Trust's shareholders.

**How does this work in practice when selecting companies and building a portfolio?**
A company's shares will normally trade at a discount to its intrinsic value for one of two main reasons: either because of neglect or controversy. Where the cause is neglect, the stock market is not concerned that there is a particular problem with the business; it is just that the company is seen to offer relatively dull prospects in a world where many investors crave excitement. Where there is a controversy surrounding the company, investors are worried that either a downturn in the economy or some secular change in the company's industry will negatively impact profitability. This uncertainty is unsettling for many investors and can cause them to sell the shares. In a desire to avoid what are sometimes seen as troubled businesses, investors often forget that the purchase of a share exposes them to a very long-term stream of corporate cash flows, the true value of which only changes by a relatively small amount even in the event of a severe recession. The result is that share prices will often overreact to short-term news flow. The Trust seeks to take advantage of this excess volatility by investing in companies whose shares are significantly undervalued based on a conservative view of a business's long-term profit potential.

We seek, therefore, to identify fundamentally sound but lowly valued companies whose shares are priced to offer higher investment returns in the future. A fundamentally sound business is one that can grow its profits over time (although not necessarily in each year), has strong finances and a capable and sensible management team who allocate capital in the best interests of their shareholders.

**Are there any economic or market conditions in which you might expect the portfolio to perform particularly well, or poorly?**
Our experience has taught us that over shorter time periods, share price movements are driven by changing investor sentiment, itself driven by changes in the more immediate outlook for company profits. It is only over longer time periods that starting valuation becomes the most important determinant of subsequent share price performance.

It has been said that over short time periods, the stock market is a 'voting' machine, whilst over the long term it is a 'weighing' machine. We entirely agree with this view and accordingly we recognise that it is only those investors with a multi-year time frame who can truly expect to harvest the excess investment return that lowly valued stocks can deliver. Given that many of the Trust's investments are in industries where profits are sensitive to the prevailing economic conditions, as a rule of thumb, shareholders should expect the Trust's portfolio to perform well in benign economic conditions but struggle in an economic downturn.



**Looking at the financial year, how has the portfolio performed and what were the major winners and losers?**
The Trust's portfolio performed strongly in the year, significantly outpacing the rise in the UK equity market. The Trust benefited from significant rises in the share prices of the three UK listed banks, NatWest Group, Barclays, and Standard Chartered and the electrical retailer Currys, with each of these companies adding 2% or more to the Trust's investment return. The portfolio was also helped by strong performances from Marks & Spencer and ITV. The one significant detractor in the year was Stellantis, whose share price fell by around 40% in 2024.

In 2024, NatWest, Barclays and Standard Chartered all continued to benefit from a benign economic backdrop, which in turn leads to healthy net interest margins and a low level of loan losses. All three companies are currently generating an attractive 10% plus return on equity, are strongly capitalised and are taking advantage of low stock market valuations to return profits to shareholders through dividends and value accretive share buybacks. Despite strong share price performance in 2024, each is currently valued at around just 8 times 2024 earnings.

Currys has traded strongly in the first half of its financial year ended April 2025, both in the UK and in the Nordics where conditions had been very challenging post the COVID pandemic. This came on top of a takeover bid from Elliott Capital in February 2024 at a 40% premium to the prevailing share price. The mixture of takeover interest and healthy trading enabled the shares to rise by more than 80% in 2024. Again, despite the strong share price performance, at the time of writing, the company is valued at less than 10 times this year's expected earnings.

Also in the retail sector, Marks & Spencer continued to trade strongly in 2024, taking further market share in both food and clothing. For some time, we have believed that there is much unrealised potential in the M&S brand, and it is heartening to see that this is now being realised. With the shares having risen roughly threefold from very depressed levels in the last two years, today's valuation is clearly not as compelling as it was but nevertheless, it is modestly priced, and we continue to believe that the company can grow its profits at an attractive rate in the coming years.

In March, ITV announced that they would be selling their 50% of the Britbox International joint venture to their partners, the BBC, for £255m and using the proceeds to buy back their stock. This led to a sharp upward move in the share price. The joint venture makes little in the way of profit and the fact that the sales proceeds accounted for around 10% of the company's market value, demonstrates the considerable value that exists in the shares. The company is undertaking a difficult transition from declining linear TV advertising revenues to digital advertising revenues but is nevertheless on target to achieve its medium-term objectives. Whilst not wishing to underestimate the challenges that the company faces, we are hopeful that over time this can lead to a re-rating of the company's shares.

On the downside, Stellantis fell sharply in 2024 as it downgraded its profit guidance for the year. Demand for autos has weakened quite considerably in recent months, in the US, Europe and China, thus prompting a slew of profit warnings from companies in the industry. Auto manufacturers have large, fixed cost bases and accordingly small changes in demand have an outsized effect on profitability. The company's operating margin expectations for this year were therefore cut back significantly. Nevertheless, the company is still expected to generate a reasonable profit for the year and sentiment in the shares is so poor that company is valued at around 4 times 2024 earnings. Even if we assume therefore that profit margins never recover from last year's depressed levels, in our view, the shares have considerable upside potential.

**Although portfolio turnover is comparatively low, have you made any major changes to the portfolio in the past year?**
There were four significant new investments in the portfolio during the year: International Consolidated Airlines ("IAG"), Direct Line Group, ABN Amro and Aberdeen Group.

The airline IAG was formed via the 2011 merger of flag-carriers British Airways and Iberia. The company has a particularly strong foothold in the highly profitable transatlantic market, with dominant positions to North and South America. Given the quality of the management team alongside a reinforced balance sheet, and formidable market shares on profitable routes, we view the company's valuation as being highly attractive at less than 7 times 2024 earnings.

Direct Line is one of the UK's leading insurance companies and although it is a low growth business, up until 2022 it had been relatively stable. In 2022, however, the company badly underestimated the level of claims inflation that it would see, with the result that it was effectively under-pricing its insurance and writing loss making contracts. Although the long-term profit potential was unaffected, the share price duly halved, creating an attractive entry point. In December, the company agreed to be taken over by Aviva at a price that will result in a large profit for the Trust.

ABN Amro is a conservatively managed Dutch bank, which derives almost all its profits from the Netherlands. Two thirds of group loans are residential mortgages with an average loan to value of just 50%. The company has little in the way of a financial markets' exposure. The last two years have been good for the bank and yet the shares are valued at around 6 times 2024 earnings, and they offer a dividend yield of around 9%.

Although Aberdeen Group is primarily known as an asset manager, the company operates three different businesses: Investments (asset management), Adviser, a B2B trading to platform, and Interactive Investor (II), a direct-to-consumer trading platform. Both Aberdeen Group's adviser and II businesses have strong positions in attractive markets and in our view are worth around the current share price. Although the Investments business is struggling, shareholders are paying nothing for it and were it to achieve its profit potential, there would in our view, be scope for the shares to double from today's level.

These purchases were partly funded through the sale of shares in International Distribution Services (previously Royal Mail), which agreed to be taken over in the year.

**The past financial year has seen a pickup in takeover activity in the UK market. Why was this and has this had an impact on companies in the portfolio? How have you responded to these bids?**

2024 saw a continuation of the 2023 pickup in the number of takeover bids for UK listed companies as both corporate and private equity investors (most often from overseas) sought to take advantage of the low valuations available in the UK stock market. Four of the Trust's holdings were subject to takeover bids in the year, in each case at a significant premium to the prevailing share price. The premiums offered ranged between 40% and 70% and the bids thereby crystallised significant value for the Trust's shareholders. Our response to a takeover bid is always to compare the bid price to our view of the long-term value of the company and turn it down where we deem it to be inadequate. We are prepared to be vocal in such instances. This was the case in respect of Elliott Capital's bid for Currys, which despite being at over a 40% premium to the prevailing share price, in our view, materially undervalued the company. Here we put out a statement saying that the 67p bid was inadequate. At the time of writing the shares were priced at around 90p. Given the continued low valuation of the Trust's portfolio, we would not be surprised to see further bids for its holdings in 2025.

**The UK stock market continues to be perceived as relatively unattractive when compared with other equity markets. Do you share this view?**

It is certainly true to say that the UK stock market continues to be relatively out of favour with investors. The easiest measure of investor sentiment, perhaps, is valuation and following another year of relative underperformance, the valuation differential between the US stock market and the UK stock market widened further in 2024 from already elevated levels.

As we have stated previously, there is much historical evidence to show that the best predictor of long-term future investment return is starting valuation, with lowly valued companies being priced to enjoy elevated investment returns in the future. Some will point out that US companies have grown profits more rapidly in the last decade or so and that therefore, the US stock market premium is justified. Whilst it may be the case that profits have grown more rapidly in the US, investors should reflect on the fact that by far the largest portion of the excess return that has come from US stocks, has been due to an absolute and relative re-rating of those profit streams. This is significant in that a re-rating is not a sustainable form of investment return unless you believe that those profit streams will continue to re-rate indefinitely.

It is important to remember that as valuations rise, so the level of expectation incorporated into share prices increases and the better the companies must perform operationally to satisfy those lofty expectations. The consensus view today is that American 'exceptionalism' will continue, suggesting to us that expectations are already high and that the potential for disappointment is great. The UK stock market in contrast contains a good number of neglected companies, where the bar of expectation is much lower, and where the likelihood of positive surprise is much greater. Accordingly, we believe that the long-term outlook for investment returns in the UK stock market is better.

**You have the ability to invest up to 30% of the portfolio in companies listed outside the UK. To what extent do you use this flexibility and how do investment opportunities within and outside the UK compare?**

The ability to invest a portion of the Trust's portfolio outside of UK listed companies is valuable and serves two purposes. First it enables us as portfolio managers to access sectors of the stock market which we believe to be undervalued but which are not well represented in the UK share index. An example here is automotive manufacturers and the Trust has shareholdings in Honda and Stellantis. Second, it enables us to partially diversify the stock specific risk of holding a large a position in a sector, again where we believe that the sector is undervalued. An example here is the Energy sector, where the Trust holds a position in Total Energies alongside its holdings in Shell and BP.

**How is the portfolio currently positioned and what is your outlook for the year ahead?**

The Trust's portfolio in aggregate is valued at around 9 times 2024 estimated earnings and it therefore continues to be priced for attractive future returns. Shareholders might ask themselves how it is that a portfolio that has appreciated quite markedly in 2024 can still be valued on such a low multiple of profits. The answer is that whilst there has been some growth in earnings (as the environment for corporate profits has been relatively good), a significant portion of the Trust's return has come through the beneficial effect of companies using cash flows to buy back cheap shares. It is worth reflecting on the fact that a company that trades on a price earnings ratio of 10x, which grows its profits by 5% and uses half of its profits to buy back stock, delivers earnings per share growth of 10%. In this example, the share price would have to rise by 10% in order maintain a constant price earnings ratio. If this company were to return the other half of its profits as a 5% dividend, then assuming no change in the share rating, the annual total return to the shareholders would be 15%. This serves to make the important point that you don't need that ever elusive re-rating of the UK stock market to enjoy excellent returns from UK equities. Over one half of the companies in the Trust's portfolio are or have been buying back stock in 2024 and these buy backs have undoubtedly been a key driver of portfolio returns.

As the portfolio managers on the Trust, we see it as our job to take advantage of the excessively low valuations caused by sentiment driven short-term selling for the long-term benefit of the Trust's shareholders. However, if the Trust's shareholders are going to take advantage of the short termism of others, they need to be long term in their thinking. *The ability to be truly long term is the biggest advantage that one can have in the stock market today, and we are optimistic that we can continue to use this advantage to generate excess investment returns for the Trust.* But the path will not always be smooth, and there will be periods of underperformance. The prize is great for the long-term value investor, but shareholders must recognise that the road will be bumpy at times and thus ensure that their expectations are correctly set.

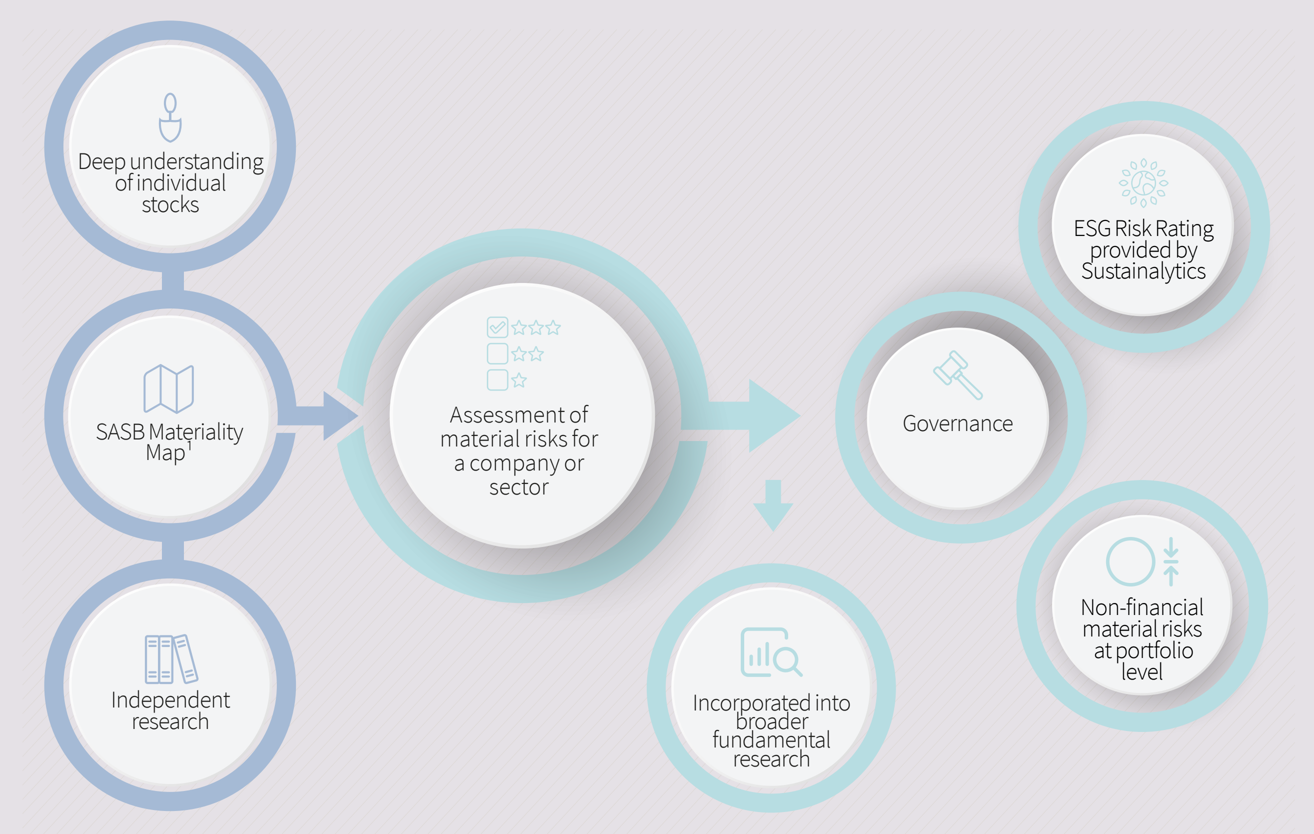
**Ian Lance and Nick Purves**
Redwheel

20 March 2025

# Our Approach to ESG

ESG is incorporated in to the investment process rather than being implemented by a centralised team.

ESG is integrated in to our stock research as one of the four risks we assess before investing in a company (along with valuation risk, business risk and balance sheet risk).




[1]The Sustainability Accounting Standards Board

"We see our role as stewards of our investors' capital as wholly consistent with investing responsibly and encouraging our investee companies to act sustainably. Sustainability and our long-term investment horizon go hand-in-hand. Furthermore, as value investors, we believe we can have an outsized impact on sustainability issues, as these are often of greater importance to older economy companies that typically fall into our value universe, particularly on environmental issues."

Redwheel UK Value & Income Team Stewardship Policy, 2023

**Environmental**
- The potential for climate issues to cause a material financial impact on the value of individual companies has increased dramatically in the past decade;
- We believe that the answer to environmental problems is not as simple as divesting from challenged sectors; and
- By actively engaging with companies, by supporting them in the transition to a sustainable business model, we believe the outcome can be better for the Company and the environment.

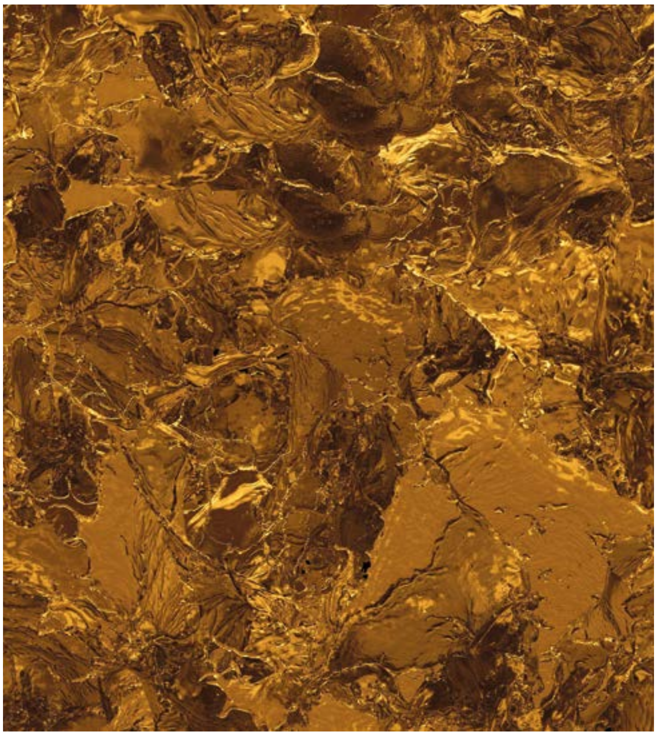
**Social**
- We believe companies should be mindful of the interests of all stakeholders; and
- Companies treating their employees, customers, or suppliers badly store up future problems for the business in terms of human capital, brand value and reputation.

**Governance**
- Governance has always been at the heart of our process as we believe it sets the basis for the culture of a firm, supporting long-term value creation and positive environmental and social outcomes; and
- Governance means shareholder rights, governance structures and aligning management with shareholders through remuneration policies.

# Engagement Case Studies

# Barrick Gold

**ESG Risk:**
Environmental and Governance



## Background:

As was highlighted in the Company's 2023 Annual Report, Barrick Gold is a Canadian based mining company with a troubled history, which saw a change of management control as part of the merger with Randgold in 2019. In 2023, Redwheel had an in-depth engagement with the company on their legacy human rights issues including meeting with Barrick Gold's Head of Sustainability and their CEO, and introducing one of their investors to Barrick Gold so that they could have their own engagement on the issue.

**Our engagement:**

- This engagement continued in 2024 and saw Redwheel write two letters to Barrick Gold. One was to the CEO highlighting Redwheel's engagement on human rights, the second was co-signed by a client of Redwheel and contained specific recommendations for consideration by the Barrick board and management regarding two troubled mines and their legacy human rights issues.

- Barrick Gold released an updated Sustainability Report, which Redwheel reviewed in detail to see how the company had responded in its disclosures, building on the conversations that had taken place with the company over the last year and utilising Greenwheel, Redwheel's in-house sustainability research team, for their expertise.

**Outcome:**

Overall, Redwheel's sense is that the company compares favourably to peers in terms of its human rights approach, and disclosures within the Sustainability Report have improved in a number of areas, addressing many of Redwheel's concerns. Barrick Gold management appear to be very actively engaged in determining and controlling the human rights risks associated with company operations, and to be taking a lot of very sensible measures.

Through in-depth work and engagements with Barrick Gold, Redwheel concluded that the company is a good actor and that these troubled assets are better under their management, rather than another probable owner. By demonstrating their strong processes to human rights and by addressing legacy issues, Redwheel believes the company can build better local relations with host communities and host governments, reducing the risks of fines, shutdowns, expropriation or increased taxes. It can also enhance its reputation with investors and other stakeholders and this, too, is supportive of value creation.

# Centrica

**ESG Risk:**
Social

## Background:

Redwheel has had a long-running engagement with Centrica which started in 2022 and continued through various interactions between Redwheel and the company during 2023. In addition, Redwheel act as a co-lead on the Climate Action 100+ Centrica collaboration.

Centrica's current transition plan (published in 2022) was a big development on its previous position. However, there is further work to do to ensure the company is managing the transition risk, to reduce its large carbon footprint and be recognised for this by the market.

**Our engagement:**

- In 2024, as part of the Climate Action 100+ Centrica collaboration, Redwheel took part in two workshops with Centrica's Environment Strategy Team where they took a deep dive into assessing emission disclosures, alignment benchmarks and decarbonisation strategies.

- Separately Redwheel met with Centrica's Chairman where his succession, political developments in the UK and the company's strategy were discussed. In addition, Redwheel highlighted the very positive and constructive collaboration with Centrica's management team over the last two years. This was followed by a letter to the Chairman written on behalf of Climate Action 100+ which identified opportunities for Centrica to address areas of weakness in their next climate transition plan.

- Later in the year, Redwheel met with Centrica's new incoming Chairman, the Chair of the Safety, Environment and Sustainability Committee, and Head of Environment, as part of its position as a co-lead on the Climate Action 100+ Centrica collaboration. Separately, a call was held with the new Chairman later in the quarter for a wider discussion on company strategy. The discussion covered capital allocation, potential investment opportunities, relationship with the government, governance, expected remuneration changes and management performance.

**Outcome:**

Following the constructive meetings late in the year, Centrica reacted positively to the feedback on the current transition plan and what was needed in the next update. Through their long running engagement with Centrica, Redwheel believes they have been a force for the company to engage more deeply in the transition, through building internal resource and improving both board and management knowledge on the energy transition. This means they are better equipped to deal with the challenges of the transition and can deliver a clearer message. This is supportive of value creation for shareholders.

# Honda

**ESG Risk:**
Environmental

## Background:

Honda is a manufacturer of automobiles, motorcycles, and power equipment. It is the world's seventh largest automaker based on revenue. The transport sector is a major polluter; in 2022 it produced more than 7bn metric tons of carbon dioxide. Passenger cars were the biggest source of those emissions.

Redwheel engaged with the company at the end of 2023 and had a very useful conversation with the head of IR. During that engagement, the company was encouraged to host an ESG presentation/webinar to better convey their plans and ambitions to investors as it was felt communication was a weakness versus other global companies.

**Our engagement:**

- This suggestion was taken seriously, and in March 2024, Redwheel took part in Honda's maiden ESG webinar. Post the webinar Redwheel were thanked by Honda's head of investor relations for serving as the catalyst for Honda hosting an ESG webinar.

- One new request made was for Honda to clearly describe and illustrate the levers of decarbonisation to meet their target of -46% GHG emissions by 2030. This was well received, and examples were shared with Honda of how other corporates present this data. Redwheel also raised the issue of lobbying and advocacy and their weak score on LobbyMap. Honda are developing a policy on lobbying and are aiming to publish this in the summer.

**Outcome:**

Conveying their plans to the market, Redwheel believe, will enhance Honda's brand and reputation; it will help them improve on various sustainability rankings as their work is more widely recognised; and it allows them to get feedback from investors to further improve disclosures or the way they present the data.

The engagement also led to an invitation for a face-to-face meeting with Honda's President and CEO along with several other members of Honda's executive team at our offices in London, and shows how Redwheel on behalf of Temple Bar can contribute to positive change on a global level.

# Portfolio of Investments

## Top ten holdings

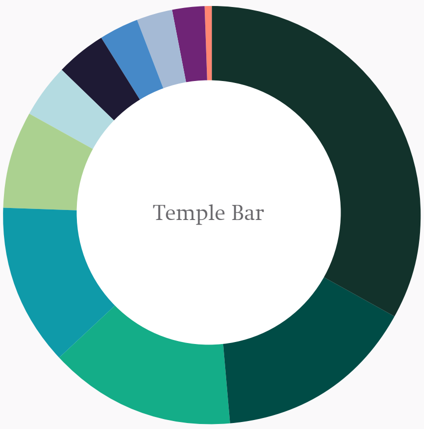
| | Company | Sector | Place of primary listing | Valuation £'000 | % of Portfolio |
|---|---|---|---|---|---|
| 1 | **Barclays**<br>Barclays is a global financial services provider engaged in retail banking, credit cards, wholesale banking, investment banking, wealth management, and investment management services. | Financials | UK | 55,313 | 6.2 |
| 2 | **Royal Dutch Shell**<br>Shell explores for, produces, and refines petroleum. The company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide. | Energy | UK | 51,380 | 5.8 |
| 3 | **NatWest Group**<br>NatWest Group operates as a banking and financial services company. The Bank provides personal and business banking, consumer loans, asset and invoice financing , commercial and residential mortgages, credit cards, and financial planning services, as well as life, personal, and income protection insurance. | Financials | UK | 50,366 | 5.7 |
| 4 | **Standard Chartered**<br>Standard Chartered PLC is an international banking group operating principally in Asia, Africa, and the Middle East. The company offers its products and services in the personal, consumer, corporate, institutional and treasury areas. | Financials | UK | 43,329 | 4.9 |
| 5 | **BP**<br>BP is an oil and petrochemicals company. The company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals. | Energy | UK | 40,754 | 4.6 |
| 6 | **ITV**<br>ITV provides broadcasting services. The company produces and distributes content on multiple platforms. ITV serves customers in the United Kingdom. | Communications | UK | 39,951 | 4.5 |
| 7 | **Aviva**<br>Aviva operates as an international insurance company that provides all classes of general and life assurance. The company also offers a variety of financial services, including long-term savings and fund management. | Financials | UK | 37,836 | 4.3 |
| 8 | **Anglo American**<br>Anglo American is a global mining company. The company's mining portfolio includes bulk commodities including iron ore, manganese, and metallurgical coal, base metals including copper and nickel, and precious metals and minerals including platinum and diamonds. | Materials | UK | 36,005 | 4.1 |
| 9 | **Marks & Spencer Group**<br>Marks & Spencer Group operates a chain of retail stores. The company sells consumer goods and food products, as well as men's, women's, and children's clothing and sportswear. | Consumer Staples | UK | 35,625 | 4.0 |
| 10 | **TotalEnergies**<br>TotalEnergies operates as an energy company. The company produces, transports, and supplies crude oil, natural gas, and low carbon electricity, as well as refines petrochemical products. TotalEnergies owns and manages gasoline filling stations worldwide. | Energy | France | 35,582 | 4.0 |
| | Top Ten Investments | | | 426,141 | 48.1 |

| | Company | Sector | Place of primary listing | Valuation £'000 | % of portfolio |
|---|---|---|---|---|---|
| 11 | NN Group | Financials | Netherlands | 33,620 | 3.8 |
| 12 | Direct Line Insurance | Financials | UK | 32,287 | 3.6 |
| 13 | WPP | Communications | UK | 31,364 | 3.5 |
| 14 | Currys | Consumer Discretionary | UK | 30,849 | 3.5 |
| 15 | Pearson | Consumer Discretionary | UK | 30,264 | 3.4 |
| 16 | Kingfisher | Consumer Discretionary | UK | 26,714 | 3.0 |
| 17 | HP | Information Technology | United States | 26,466 | 3.0 |
| 18 | BT Group | Communications | UK | 25,830 | 2.9 |
| 19 | GSK | Healthcare | UK | 24,630 | 2.8 |
| 20 | Stellantis | Consumer Discretionary | Netherlands | 22,805 | 2.6 |
| Top 20 Investments | | | | 710,970 | 80.2 |
| 21 | Centrica | Utilities | UK | 22,319 | 2.5 |
| 22 | Aberdeen Group | Financials | UK | 22,080 | 2.5 |
| 23 | ABN Amro | Financials | Netherlands | 18,779 | 2.1 |
| 24 | International Airlines Group | Industrials | Spain | 16,452 | 1.9 |
| 25 | Honda Motor | Consumer Discretionary | Japan | 13,992 | 1.6 |
| 26 | Vodafone Group | Communications | UK | 13,046 | 1.5 |
| 27 | Forterra | Materials | UK | 13,032 | 1.5 |
| 28 | CK Hutchison Group | Industrials | Hong Kong | 10,554 | 1.2 |
| 29 | Newmont | Materials | United States | 9,689 | 1.1 |
| 30 | Barrick Gold | Materials | Canada | 8,587 | 1.0 |
| 31 | Continental | Consumer Discretionary | Germany | 7,216 | 0.8 |
| 32 | Capita | Industrials | UK | 7,009 | 0.8 |
| 33 | Molson Coors Beverage | Consumer Discretionary | United States | 6,878 | 0.8 |
| Total Equity Investments | | | | 880,603 | 99.5 |
| Short-dated UK T-Bills | | Fixed Interest | UK | 4,202 | 0.5 |
| Total Valuation of Portfolio | | | | 884,805 | 100.0 |

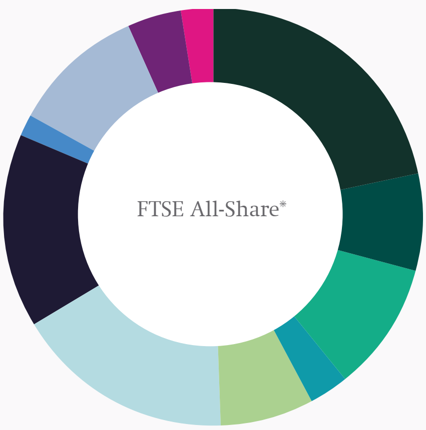
# Portfolio Distribution

As at 31 December 2024

| Industry | Temple Bar % | FTSE All-Share* % |
|---|---|---|
| Financials | 33.1 | 21.9 |
| Consumer Discretionary | 15.7 | 7.5 |
| Energy | 14.4 | 10.0 |
| Communications | 12.4 | 3.0 |
| Materials | 7.7 | 7.2 |
| Consumer Staples | 4.0 | 16.8 |
| Industrials | 3.9 | 15.1 |
| Information Technology | 3.0 | 1.6 |
| Healthcare | 2.8 | 10.3 |
| Utilities | 2.5 | 4.3 |
| Real Estate | - | 2.3 |
| **Total Equities** | **99.5** | **100.0** |
| Fixed Interest | 0.5 | – |
| **Total Portfolio** | **100.0** | **100.0** |




| | |
|---|---|
| Financials | 33.1% |
| Consumer Discretionary | 15.7% |
| Energy | 14.4% |
| Communications | 12.4% |
| Materials | 7.7% |
| Consumer Staples | 4.0% |
| Industrials | 3.9% |
| Information Technology | 3.0% |
| Healthcare | 2.8% |
| Utilities | 2.5% |
| Fixed Interest | 0.5% |




| | |
|---|---|
| Financials | 21.9% |
| Consumer Discretionary | 7.5% |
| Energy | 10.0% |
| Communications | 3.0% |
| Materials | 7.2% |
| Consumer Staples | 16.8% |
| Industrials | 15.1% |
| Information Technology | 1.6% |
| Healthcare | 10.3% |
| Utilities | 4.3% |
| Real Estate | 2.3% |

Source: Redwheel
*FTSE All-Share ex investment Trusts

# Overview of Strategy

The Strategic Report is designed to help shareholders assess how the Directors have performed their duty to promote the success of the Company during the year under review.

**Business of the Company**
Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on business as an investment company under Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010.

**Section 172 Statement**
The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006 ("Section 172"). In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, having regard, amongst other matters, to the following six items:

| | |
|---|---|
| The likely consequences of any decision in the long term | All Board discussions include consideration of the longer-term consequences of key decisions and their implications for relevant stakeholders. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in Section 172. |
| The interests of the Company's employees | This provision is not relevant as the Company does not have any employees. |
| The need to foster the Company's business relationships with suppliers, customers and others | The Board's approach is described under "Stakeholders" on the following page. |
| The impact of the Company's operations on the community and the environment | The Board takes a close interest in responsible investment issues and sets the overall strategy. Management of the portfolio is delegated to the Portfolio Manager, which is responsible for the practical implementation of policy. A description of the Company's approach to stewardship and the role of the Portfolio Manager is set out on page 39. |
| The desirability of the Company maintaining a reputation for high standards of business conduct | The Board's approach is described under "Culture" on page 30. |
| The need to act fairly between shareholders of the Company | The Board's approach is described under "Shareholders" on the following page. |

**In considering the primary purpose of the Company, the Board made several key decisions during the year. The Board:**

- continued to instruct the use of share buy backs as a means of stabilising the share price discount to NAV in response to sector weakness (for further details see pages 7 and 46);
- worked with the Portfolio Manager and Frostrow to maintain a high level of shareholder engagement via webinars and newsletters; and
- increased dividend payments at a sustainable level based on income received from investments (for further details see page 31).

The Directors have reviewed and discussed each aspect of Section 172 and consider that the information set out on pages 28 and 29 is particularly relevant in the context of the Company's business as an externally managed investment company which does not have any employees or suppliers.

**Stakeholders**
The Board continuously seeks to understand the needs and priorities of the Company's stakeholders, and these are taken into account during all of its discussions and as part of its decision making. As the Company is an externally managed investment company and does not have any employees or customers, it therefore has very little direct impact on the community or the environment. Its key stakeholders comprise its shareholder base and its lender. The Company also has important contractual relationships with its key service providers but does not consider these to be stakeholders. The Company recognises the indirect impact it may have on the community and the environment through its investee companies. Further details on this are set out on pages 39 to 42. The sections below outline why these key stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are considered.

**Shareholders**
The primary purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. Continued shareholder support and engagement are critical to the existence of the Company and the delivery of its long-term strategy.

The Board recognises the importance of engaging with shareholders on a regular basis to maintain a high level of transparency and accountability and to inform the Company's decision making and future strategy.

The Board primarily engages with shareholders through direct engagement by the Chairman (including with the Board at the Company's Annual General Meeting) and through the Portfolio Manager and Frostrow who maintain an ongoing dialogue with shareholders through regular shareholder communications, both written and verbal. The Portfolio Manager has continued to publish quarterly newsletters written by the portfolio management team, which explore their ideas and philosophies around investing and explain the positioning of the portfolio. Online statistics on engagement show that these newsletters remain very popular with shareholders. Additional dialogue with shareholders is achieved through the annual and half-yearly reports, both of which contain reports from the Portfolio Manager, the daily NAV announcements and the monthly fact sheet which is available on the Company's website. Portfolio data is also provided to external providers such as Morningstar, which feeds several websites on a monthly basis.

One of the Board's long-term strategic aspirations has been that the Company's shares should trade consistently at a price close to the NAV per share. During the year under review, investment companies as a sector again saw discounts widen significantly, in the face of economic headwinds and political instability (the average discount was 12.9%* as at 31 December 2024). The Company continued to use share buy backs throughout the year to protect its discount, generally maintaining it at a level less than 6%. The Board, the AIFM and the Portfolio Manager have continued to focus heavily on the promotion of the Company, in order to maintain buying interest in the Company's shares and to support a natural narrowing of the discount.

An important role of the Board is to ensure that the Company's ongoing charges are competitive both in terms of its peer group and other comparable investment products. While having an optimal service provider structure brings inevitable cost, excessive expense can eat away at investment returns over time. For that reason, despite the exercise described later in the document the Board remains focused on limiting cost increases to shareholders as far as possible, despite the current inflationary environment.

All shareholders are encouraged to attend and vote at AGMs, at which the Board and the portfolio management team are available to discuss issues affecting the Company and to answer any questions. Further details regarding the AGM are set out in the Notice of AGM on pages 93 to 96.

* Source: Cavendish Securities.

**Lenders**
Alongside shareholders' equity, the Company is partly funded by debt. All the Company's debt is subject to contractual terms and restrictions. We have an established procedure to report regularly to our lender on compliance with debt terms. It is our policy that all interest payments and repayments of principal will continue to be made in full and on time.

**Service Providers**
To function as an investment trust listed on the London Stock Exchange, the Company relies on a number of suppliers and advisers for support in complying with all relevant legal and regulatory obligations.

The Company's day-to-day operational functions are delegated to a number of third-party service providers, each engaged under separate contracts. The Company's principal service providers are the Portfolio Manager, Alternative Investment Fund Manager, Administrator and Company Secretary, Custodian and Depositary, Broker and the Registrar.

Over the past three years the Board believes it has continued to develop a close and constructive working relationship with the Portfolio Manager, which it believes is crucial to promoting the long-term success of the Company. Representatives of the Portfolio Manager attend Board meetings and provide reports and verbal updates on matters relating to investments, performance and marketing.

The Board, primarily through the Audit and Risk and Management Engagement Committees, keeps the ongoing performance of the Portfolio Manager and the Company's other principal third-party service providers under continual review.

**Culture**
The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. These investments will primarily be UK listed. The Company has no employees, but the culture of the Board is to promote strong governance and a long-term investment outlook with an emphasis on investing in businesses that can deliver enduring value to shareholders. Therefore, the Board asks the Company's Portfolio Manager to invest in stocks that fulfil the traditional metrics of the value style but also possess a business model that is resilient and viable in the long term.

**Investment Objective and Policy**
The Company's investment objective is to provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK-listed securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the constituents of the FTSE 350 Index.

**Investment Guidelines**
The UK equity element of the portfolio will be mostly invested in the FTSE All-Share Index; however, exceptional positions may be sanctioned by the Board and up to 30% of the portfolio may be held in listed international equities, subject to a maximum 10% exposure to emerging markets. The Company may continue to hold securities that cease to be quoted or listed if the Portfolio Manager considers this to be appropriate. There is an absolute limit of 10% of the portfolio in any individual stock with a maximum exposure to a specific sector of 35%, in each case irrespective of their weightings in the Benchmark.

It is the Company's policy to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

The Company maintains a diversified portfolio of investments, typically comprising 30-50 holdings, but without restricting the Company from holding a more or less concentrated portfolio from time-to-time as circumstances require.

The Company's long-term investment strategy emphasises stocks of companies that are out of favour and whose share prices do not match the Portfolio Manager's assessment of their longer-term value.

From time-to-time fixed interest holdings or non-equity interests may be held for yield enhancement and other purposes. Derivative instruments may be used in certain circumstances, and with the prior approval of the Board, for hedging purposes or to take advantage of specific investment opportunities.

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gross gearing range may fluctuate between 0% and 30%, based on the current balance sheet structure, with an absolute limit of 50%.

As a general rule, it is the Board's intention that the portfolio should be reasonably fully invested. An investment level of 90% of shareholder funds is regarded as a guideline minimum investment level dependent on market conditions.

Risk is managed through diversification of holdings, investment limits set by the Board and appropriate financial and other controls relating to the administration of assets.

## Key Performance Indicators

The key performance indicators ("KPIs") used to determine the progress and performance of the Company over time, and which are comparable to those reported by other investment trusts, are:

- NAV total return relative to the FTSE All-Share Index;
- Discount/premium to NAV;
- Dividends per share; and
- Ongoing charges.

While some elements of performance against KPIs are beyond the Board's and Portfolio Manager's control, they provide measures of the Company's absolute and relative performance and are, therefore, monitored by the Board on a regular basis.

## NAV Total Return

In reviewing the performance of the assets in the Company's portfolio the Board monitors the NAV in relation to the FTSE All-Share Index. This is the most important KPI by which performance is judged. During the year the NAV total return with debt at fair value of the Company was 19.9% compared with a total return of 9.5% by the FTSE All-Share Index. As noted in both the Chairman's Statement and Portfolio Manager's Report, the Company outperformed the FTSE All-Share Index on both a NAV and share price basis.

## Discount to NAV

The Board monitors the premium/discount at which the Company's shares trade in relation to their NAV. During the year the shares traded at an average discount to NAV of 6.8%. This compares with an average discount of 6.0% in the previous year. As set out in the Chairman's Statement on page 7, during the year the Board closely monitored the discount and utilised share buy backs when it was considered appropriate to do so. The Board and Portfolio Manager closely monitor both movements in the Company's share price and significant dealings in the shares. In order to avoid substantial overhangs or shortages of shares in the market the Board asks shareholders to approve resolutions which allow for both the buy back of shares and their issuance, which can assist in the management of the discount or premium.

## Dividends per Share

It remains the Directors' intention to distribute, over time, by way of dividends, substantially all of the Company's net revenue income after expenses and taxation. The Portfolio Manager aims to maximise total returns from the portfolio. The Company has paid dividends totalling 11.25p per ordinary share for the year ended 31 December 2024 (2023: 9.60p), representing a dividend yield of 4.1% at the year-end (2023: 4.0%). The Board hopes to continue sustainable dividend growth over the coming years. This, together with a proposed enhancement to the Company's Dividend Policy, is explained in more detail in the Chairman's Statement beginning on page 7.

## Ongoing Charges

Ongoing charges is an expression of the Company's management fees and other operating expenses as a percentage of average daily net assets over the year. The ongoing charges for the year ended 31 December 2024 were 0.61% (2023: 0.56%). The Board reviews the Company's ongoing charges on a regular basis. While the level of the Company's ongoing charges has increased slightly over the year, it compares favourably with peers in the UK Equity Income sector of investment trust companies.

**Ten-Year KPI Summary**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020^ | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Returns | | | | | | | | | | |
| NAV with debt at fair value[3] | (1.2%) | 20.6% | 10.2% | (11.3%) | 27.9% | (28.0%) | 24.6% | 0.9% | 12.3% | 19.9% |
| Share Price[3] | (7.9%) | 20.7% | 11.0% | (9.7%) | 34.3% | (31.5%) | 20.0% | 3.6% | 12.5% | 19.1% |
| FTSE All-Share Index[3] | 1.0% | 16.8% | 13.1% | (9.5%) | 19.2% | (9.8%) | 18.3% | 0.3% | 7.9% | 9.5% |
| NAV per share* (p) | 226.0 | 236.2 | 280.0 | 239.9 | 294.6 | 202.0 | 241.7 | 228.5 | 248.0 | 286.2 |
| NAV per share with debt at fair value* (p) | 222.9 | 259.6 | 277.4 | 238.1 | 292.5 | 199.2 | 240.4 | 233.5 | 252.2 | 291.1 |
| Share Price* (p) | 210.4 | 244.6 | 262.8 | 229.2 | 295.2 | 191.0 | 221.6 | 220.5 | 238.0 | 272.0 |
| Premium/ (Discount) [2] | (5.6%) | (5.8%) | (5.3%) | (3.7%) | 0.9% | (4.1%) | (7.8%) | (5.6%) | (5.6%) | (6.6%) |
| Dividends per share* (p) | 7.93 | 8.09 | 8.49 | 9.34 | 10.28 | 7.70 | 7.90 | 9.35 | 9.60 | 11.25 |
| Dividend Yield [1] | 3.8% | 3.3% | 3.2% | 4.1% | 3.5% | 4.0% | 3.6% | 4.2% | 4.0% | 4.1% |
| Ongoing Charges | 0.49% | 0.51% | 0.49% | 0.47% | 0.49% | 0.50% | 0.48% | 0.54% | 0.56% | 0.61% |

* Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.
^ Redwheel was appointed as Portfolio Manager on 30 October 2020.
[1] Calculated as dividends per share divided by the year-end share price.
[2] Premium / (Discount) of share price to NAV per share with debt at fair value.
[3] Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns.

## Principal and Emerging Risks

The Board has overall responsibility for reviewing the effectiveness of the system of risk management and internal control which is operated by the Portfolio Manager and the Company's other service providers. The Company's ongoing risk management process is designed to identify, evaluate and mitigate the significant risks that the Company faces. A 'heat map' system is used, allowing a visual assessment of the different risks identified and adjustment of the inputs based on changing internal and external factors.

The Board undertakes a semi-annual risk review with the assistance of the Audit and Risk Committee, to assess the adequacy and effectiveness of the Portfolio Manager and other service providers' risk management and internal control processes.

The Board has carried out a robust assessment of its principal and emerging risks during the period under review, including those that would threaten its business model, future performance, solvency or liquidity.

The principal and emerging risks and uncertainties faced by the Company are set out overleaf. The risks arising from the Company's financial instruments are set out in note 20 to the Financial Statements (beginning on page 89).

| Risk | Mitigation and Management |
|---|---|
| **Market Risk** | |
| By the nature of its activities and Investment Objective, the Company's portfolio is exposed to fluctuations in market prices (from both individual security prices and foreign exchange rates). As such investors should be aware that by investing in the Company they are exposing themselves to market risks.<br><br>The Company also uses gearing, via the private placement loans issued, the effect of which is to amplify the gains or losses the Company experiences. | To manage these risks the Board and the AIFM have appointed Redwheel to manage the portfolio within the remit of the investment objective and policy, and imposed various limits and guidelines, set out on page 30. These limits ensure that the portfolio is diversified, reducing the risks associated with individual stocks. The compliance with those limits and guidelines is monitored daily by Frostrow and Redwheel and reported to the Board weekly.<br><br>In addition, Redwheel reports at each Board meeting on the performance of the Company's portfolio, including the rationale for investment decisions, the make-up of the portfolio and the investment strategy.<br><br>As part of its review of the viability of the Company, the Board also considers the sensitivity of the Company to changes in market prices and foreign exchange rates (see note 20 beginning on page 89), how the portfolio would perform during a market crisis, and the ability of the Company to liquidate its portfolio if the need arose. Further details are included in the Going Concern and Viability Statements on page 38. |
| **Geopolitical and Macro Risks** | |
| As recent years have demonstrated, global events, including unforeseen events, can have a dramatic effect on both financial markets and everyday life. The Company is at risk from both the financial impacts of such events, as well as possible disruption to the day-to-day activities of its service providers and portfolio companies. Ongoing geopolitical tensions around the world while not currently directly affecting the Company may have an impact on its investments. | While global events are outside the control of the Company the Board reviews regularly, and discusses with the Portfolio Manager, the wider economic and political environment, along with the portfolio exposure and the execution of the investment policy against the long-term objectives of the Company. The Portfolio Manager performs risk analysis, including country and industry specific monitoring, on an ongoing basis. |
| **Climate Risks** | |
| While the Company itself faces limited direct risk from climate change, the board is cognisant of the potential impact on portfolio companies and their operations. Significant changes in climate, or indeed Government measures taken to combat climate change, could present a material risk to the value of the portfolio. | The Board regularly reviews global environmental, geopolitical and economic developments with the Portfolio Manager, along with the implications of these risks and events on portfolio construction and the Company's operations. ESG considerations are incorporated into the investment process of Redwheel, as part of the drive to invest in companies with long-term viability. The Portfolio Manager also uses its voting powers to engage with and influence investee companies towards taking positive steps against climate change and other environmental impacts. |

| Risk | Mitigation and Management |
|---|---|
| **Shareholder Relations and Share Price Performance Risk** | |
| The Company is exposed to the risk, particularly if the investment strategy and approach are unsuccessful, that the Company may underperform resulting in the Company becoming unattractive to investors, a widening of the share price discount to NAV per share and the Company may become vulnerable to activist shareholders. | **In managing this risk the Board:**<br>• reviews the Company's investment strategy and objective in relation to market and economic conditions, and the operation of the Company's peers;<br>• discusses at each Board meeting the Company's future development and strategy;<br>• reviews the shareholder register at each Board meeting; and,<br>• actively seeks to promote the Company to current and potential investors.<br><br>In addition the Company's share price and premium or discount to NAV are monitored by the Portfolio Manager and the Board on a regular basis. The Directors attach considerable importance to the level of premium or discount to NAV at which the shares trade, both in absolute terms and relative to the rating at which the UK Equity Income sector of investment trusts is trading, and will take action where levels are deemed to be excessive. The Directors are prepared to be proactive in premium/ discount management to minimise potential disadvantages to shareholders, which continued to be demonstrated during 2024. |
| **Loss of Investment Team or Portfolio Manager** | |
| A sudden departure of the members of the portfolio management team could result in a short-term deterioration in investment performance. | The investments of the Company are managed by a team of two managers, Ian Lance and Nick Purves. The Portfolio Manager takes steps to reduce the likelihood of such an event by aligning the interests of the investment team with the wider organisation, as well as providing a high degree of autonomy with no overarching chief investment officer or investment committee. Furthermore, the AIFM, in consultation with the Board, may terminate the Portfolio Management Agreement should Ian Lance and Nick Purves cease to be able to perform their duties or cease to be associated with the Portfolio Manager and not be replaced by people with relevant experience. |
| **Income Risk – Dividend** | |
| Risk that the portfolio does not generate the necessary level of income, over time, from which to maintain progressive dividend payments to shareholders. | The Board monitors this risk through the review of detailed income reports and forecasts which are considered at each meeting, with input from the Portfolio Manager. As at 31 December 2024 the Company had distributable revenue reserves of £15.7 million. Furthermore, income risk is mitigated by the Company's ability to distribute realised capital gains if required to meet any revenue shortfall. With the level of income paid and forecast by investee companies continuing to increase across the year, the Company has been able to raise its dividend. |

| Risk | Mitigation and Management |
| --- | --- |
| **Cyber Security** | |
| The Company has limited direct exposure to cyber risk. However, the Company's operations or reputation could be affected if any of its service providers suffered a major cyber security breach. A state-backed cyberattack could also result in widespread disruption across the financial services industry. | The Audit and Risk Committee receives control reports and confirmation from its service providers regarding the measures that they take in this regard. The cyber security policies of all service providers have also been reviewed by the Board. Equiniti, the Company's Registrar, provided a cyber security update to the Audit and Risk Committee at its meeting in August 2024. For more widespread disruption such as a state-backed cyberattack limited mitigation is possible, however all service providers remain vigilant given the increased likelihood of such an event in the current climate. |
| **Service Provider Risk** | |
| The Company is reliant on the systems of its service providers and as such disruption to, or a failure of, those systems (including, for example, as a result of cyber-crime or a 'black swan' event) could lead to a failure to comply with law and regulations leading to reputational damage and/or a financial loss. | **To manage these risks the Board, via its Management Engagement Committee and Audit and Risk Committee:**<br>• receives reports from Frostrow at each Board meeting, which includes, *inter alia*, details of compliance with applicable laws and regulations;<br>• reviews internal control reports, key policies, including measures taken to combat cyber security issues, and also the disaster recovery procedures of its service providers;<br>• maintains a risk matrix with details of risks the Company is exposed to and the controls/mitigation in relation to those risks;<br>• receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with these; and<br>• has considered the increased risk of cyber attacks and received reports and assurance at meetings with its service providers that appropriate information security controls are in place.<br><br>In addition to its ongoing monitoring of the investment portfolio and transactions, the AIFM carries out a formal due diligence exercise on the Portfolio Manager annually, ensuring that the appropriate controls, processes and resourcing are in place to manage the portfolio within the stated investment policies and guidelines. |

**Emerging Risks**

The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties and also to identify and evaluate newly emerging risks. The Board, through the Audit and Risk Committee, regularly reviews all risks to the Company, including emerging risks, which are identified by a variety of means, including advice from the Company's professional advisors, the Association of Investment Companies (the "AIC"), and Directors' knowledge of markets, changes and events. No new or emerging risks were identified during the year.

**Going Concern**

The Directors have reviewed the going concern basis of accounting for the Company. The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of the approval of these Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the accounts. See note 1 beginning on page 77 for further detail.

**Viability Statement**

The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal and emerging risks and uncertainties it faces. The AIFM and Portfolio Manager have assisted the Board in making this assessment via financial modelling and income forecasting, which demonstrates the financial viability of the Company. Stress-testing scenarios, such as an extreme drop in equity markets, have also been carried out and the projected financial position remains strong and all payment obligations achievable.

The stress-testing scenarios used to assess future viability incorporate a number of inputs. The financial structure of the Company is stable, with known payment obligations that can be modelled for future years with a low likelihood of any changes. Revenue expectations are modelled by the Portfolio Manager and the AIFM for future years with decreasing levels of certainty over time, based on the financial position and performance of investee companies. This is combined with an expectation of the rate of dividend payments to be made by the Company over the coming years to give an overall financial projection in normal market conditions.

To stress-test this projection, scenarios are then modelled for a 20% and 50% fall in both investee company valuations and the level of dividend payments they make. In both cases, because the Company has both the ability to control its own dividend payments and a liquid portfolio of investments, the impact to reserves could be managed and the Company would remain viable during such periods.

The Company is a long-term investment vehicle and the Directors, therefore, believe that it is appropriate to assess its viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with the AIC Code of Corporate Governance (the "AIC Code"), the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and the inherent uncertainties over a longer time period.

The Directors believe that a five-year period appropriately reflects the long-term strategy of the Company and over which, in the absence of any adverse change to the regulatory environment and the tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal and emerging risks and to the adequacy of the mitigating controls in place.

In assessing the viability of the Company, the Directors have conducted a thorough assessment of each of the Company's principal and emerging risks and uncertainties set out on pages 35 to 37. Particular scrutiny was given to the impact of a significant fall in equity markets on the value of the Company's investment portfolio.

The Directors have also considered the Company's leverage and liquidity in the context of its long-dated fixed-rate borrowings (see notes 8 and 15 for further details on the borrowings), its income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted securities which can be sold to meet funding requirements if necessary.

All of the key operations required by the Company are outsourced to third-party providers and alternative providers could be secured at relatively short notice if necessary.

Having taken into account the Company's current position and the potential impact of its principal and emerging risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Annual Report.

**Modern Slavery Act**

Due to the nature of the Company's operational model and the fact that it generates no turnover, the Board is satisfied that the Company is not subject to the UK's Modern Slavery Act 2015. The Company does not therefore make a modern slavery and human trafficking statement. The Board however appreciates the significance of Modern Slavery as an issue but considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to represent a low risk of exposure to modern slavery.

In relation to the Company's investments, the Board has noted that the Portfolio Manager signed a letter in both 2023 and 2024, and will again in 2025, which is sent to FTSE 350 companies considered at that time not to be in compliance with the requirements of the Modern Slavery Act 2015. This initiative, coordinated by Rathbones, was awarded the Stewardship Initiative of the Year award in 2022 by the UN Principles for Responsible Investment. Infractions tend to be of a technical nature, such as not having a Modern Slavery Statement available on websites, or not evidencing that such Statements have approval from the board of the relevant organisation. In 2024, the Portfolio Manager engaged with investee companies to highlight where corrections were required to achieve compliance and worked with Rathbones to monitor responses.

Within its investment process, Redwheel principally assesses the risk of modern slavery exposure through reference to the Corporate Human Rights Benchmark (which scores companies on governance and policies; remedies and grievance mechanisms; and embedding respect and human rights due diligence) and through company compliance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

The Portfolio Manager also uses Sustainalytics data to monitor breaches in global norms and controversies including employee incidents. The Materiality Map developed originally by the Sustainability Accounting Standards Board helps improve understanding of the sectors in which companies are most at risk of exposure to labour and modern slavery issues.

**Gender Diversity**
At the year-end, there were two male and two female Directors on the Board. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company.

The Company's policy on diversity is detailed in the Corporate Governance Statement on page 53.

**Bribery Act**
The Company has a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Portfolio Manager also adopts a zero-tolerance approach and has policies and procedures in place to prevent bribery.

**Criminal Finances Act 2017**
The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

**Stewardship/Engagement**
The Board requires the Portfolio Manager to adopt an active stewardship role, including the effective exercising of shareholders' ownership rights. It believes that this is central to the achievement of its aim to preserve and grow the long-term real purchasing power of the assets entrusted to it by shareholders.

The Portfolio Manager thus monitors, evaluates and if necessary, actively engages or withdraws from investments with the aim of preserving or adding value to the portfolio. It became a signatory to the UN Principles for Responsible Investment in 2020, had been a signatory to the UK Stewardship Code 2012, and in 2024 was again endorsed as a signatory to the UK Stewardship Code 2020.

Both the Board and the Portfolio Manager firmly believe that environmental, social and governance issues can have a material financial impact on the value of a company along with its social licence to operate, and therefore on the value of its investors' capital. It is thus important for a long-term responsible investor to integrate these issues into the investment process.

The Portfolio Manager believes that its stewardship role is wholly consistent with supporting companies to grow in a sustainable way, for executive teams and board members to run their companies for the long term and for the benefit of all stakeholders. Moreover, it believes that, considered over the long term, shareholder capital is put at greatest risk where companies are not run in a sustainable manner, whether from lack of prudence on financial strength or from recklessness in the pursuit of growth at the expense of the environment and relations with business stakeholders. Conversely, companies that are run more prudently and which take into greater consideration the needs and expectations of stakeholders more broadly are believed to offer greater potential to be successful, resilient, and financially rewarding for shareholders.

Further detail on the Portfolio Manager's approach to stewardship is detailed within its Stewardship Policy[1].

**Environment**
As an investment trust which outsources all of its operations, there are no greenhouse gas emissions to report from the operations of the Company other than those of the service providers and limited home working by the Board. The Company does not have responsibility for any other emissions producing sources reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Consequently, the Company consumed very little direct energy during the year and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

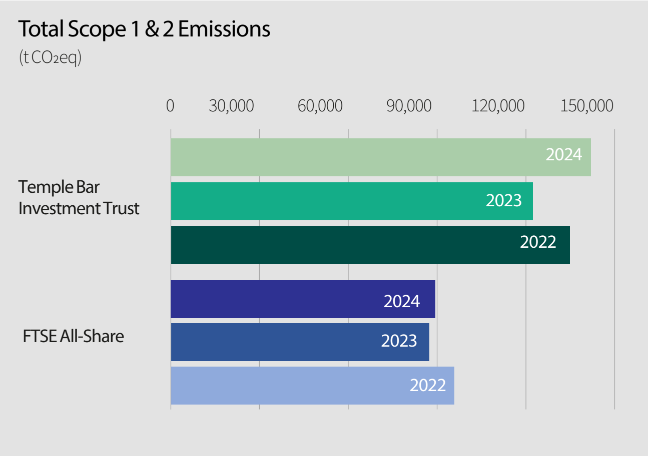
Environmental and climate considerations – both in a systemic sense and idiosyncratically – have become increasingly important for many in the investment industry and beyond over the past decade. Physical and transitional climate risks remain very much at the top of the list of factors considered to potentially have a material financial impact over the longer term. Attention is now also increasing in relation to the use and management by companies of natural resources, such as water, as well as biodiversity impacts arising in particular from pollution and waste management practices. The Portfolio Manager believes active engagement with portfolio companies is required to address these kinds of challenges. Divesting simply does not address the problem. Instead, by supporting companies as they transition over time to more sustainable business models, the Portfolio Manager believes that environmental impacts can be both reduced and mitigated.

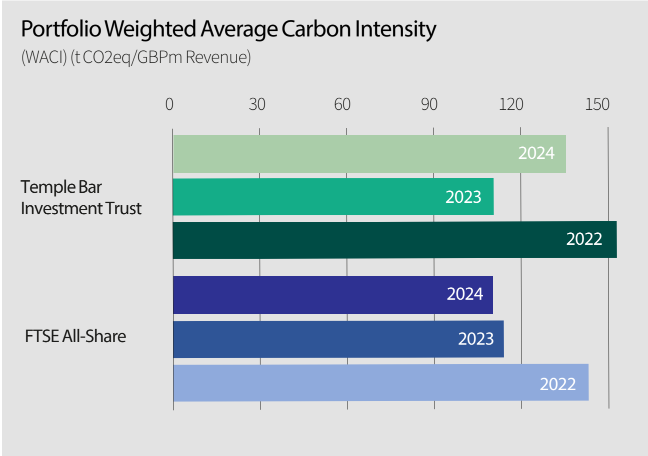
Detail on the carbon characteristics of the Company is shown in the sections overleaf.

It is worth noting that in June 2024 our Portfolio Manager published its entity level report on how it manages climate related risks and opportunities in its investment portfolios and across its business operations in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures . A product level report for the Company will be made available on the Company's website from July 2025.

[1] www.redwheel.com/uk/en/individual/resources

## Carbon Emissions




Source: FTSE All-Share and Temple Bar Investment Trust data as at 31 December 2024. To ensure consistency and comparability of the emissions of underlying companies, the emissions data used represents emissions generated across financial year 2023. Data provided by Sustainalytics, as at 31 December 2024.

### Approach

When monitoring and reporting the carbon credentials of the Company, we use the metrics and methodologies recommended by the Taskforce on Climate-Related Financial Disclosures ("TCFD"). Analysis focuses on the emissions of companies that are considered to be either "Scope 1" or "Scope 2". Scope 1 emissions are the emissions directly attributable to a company's operations, whereas Scope 2 emissions are the emissions indirectly attributable to a company's operations (e.g. relating to the power it consumes). Both are expressed in terms of tonnes of carbon dioxide equivalent (t CO2eq), the universal unit of measurement used to indicate the global warming potential of greenhouse gases, definition and methodology by Greenhouse Gas Protocol.

The integration into the analysis of corporate "Scope 3" emissions remains an aspiration as there are issues relating to data quality and the double-counting of emissions within methodologies which continue to hamper expansion of the analysis.

### Total Scope 1 & 2 Emissions

The chart above provides representations of the absolute greenhouse gas emissions (GHG) attributable both to the Company, and also to a notional investment of equal value in a basket of companies comprising FTSE All-Share.

An equity ownership approach is used to allocate both Scope 1 and Scope 2 emissions to investments. Under this approach, if an investor holds shares equal in value to 5% of a company's total market capitalisation, then the investor is considered to own 5% of the Company; accordingly, it is considered to be liable for 5% of the Company's GHG (or carbon) emissions.

As compared to FTSE All-Share, the Company exhibits a higher value for its Scope 1 (+25%) but a lower Scope 2 emissions (-1%) compared to last year.

These metrics are presented on an absolute basis; as the value of the Company increases, we would expect the overall emissions attributable to the Company to increase. The respective values for the Company and FTSE All-Share, normalised by the value of the Company, which in essence is the carbon footprint metric, are 164.1 and 104.09 tCO2eq/GBPm, respectively. The Company's carbon footprint is 56% higher as it is more exposed to high intensive carbon industries than the index.

### Weighted Average Carbon Intensity ("WACI"):

This chart shows the asset-weighted emissions intensity both of the Company, and also of an investment of equal value in a basket of companies comprising FTSE All-Share.

Emissions intensity as a metric reflects the value of a company's Scope 1 and Scope 2 carbon emissions (t CO2eq), normalised by revenues derived (here, using GBP millions), over a particular period in line with the carbon reporting one, which is financial year 2023 and 2022 respectively.

The weighted average carbon intensity of the Trust is 12% higher than FTSE All-Share.

### Observations

As compared to FTSE All-Share, the Company has a higher allocation to the Oil & Gas (Fund: 14%; benchmark: 9%) and the Automobiles (+4%) sectors. At the same time, the Company's allocation to the Materials and Utilities sectors is roughly the same as FTSE All-Share. These are sectors responsible for a significant amount of carbon emissions and the previous figures and charts above demonstrate this.

That said, it is important to note that whilst the Company has 100% reported emissions coverage, this is not the case for FTSE All-Share as only 53.6% of companies disclose emissions data directly. Another 7.2% is estimated and there is no data for close to 40% of constituents.

### Social
The Portfolio Manager continues to believe that the financial impact from social issues can be substantial.

Companies treating their employees, customers or suppliers inappropriately store up future problems for the business in terms of human capital (lower productivity, disruption to production, staff turnover), brand value (dissatisfied customers, litigation) and reputation (supply-chain issues, health and safety). Local communities are also important to consider, particularly in extractive industries.

Cyber security is a notable risk for many companies, particularly for those holding customer information, sensitive sectors such as banks or utilities or where intellectual property is the basis of the value of a company.

The Portfolio Manager researches and monitors social risks, reviewing issues for focus based on the Company's composition. Exposure to conflict regions is monitored for a risk of human rights abuses. Where there is potential exposure the Portfolio Manager will monitor news flow and speak with the investee companies to evaluate the risk. It may also speak to a company's wider stakeholders in order to seek a more holistic assessment of specific situations. For instance, during the course of the year, a representative of the Portfolio Manager spoke with a shareholder representative organisation based in Canada, as well as a major Canadian investor, as part of information gathering undertaken ahead of engagement with a Canadian company.

### Governance
The consideration of companies' approaches to governance has been at the heart of the Portfolio Manager's process since inception. Governance describes the controls and oversight processes in place to manage operational risks (including environmental and social risks); it also sets the basis for the culture of a firm. The Portfolio Manager seeks investee companies whose management runs the business as owners, and thinks long term about customers, employees, suppliers, and community. Such an approach is believed ultimately to benefit shareholders.

The Portfolio Manager believes in the importance of investee companies possessing a strong board, with non-executive directors possessing the requisite skills, experience and independence to counter the impact of a powerful or dominant chief executive officer. Diversity can support this aim and helps to counter 'group think' and incorporate better the views of wider stakeholders. Remuneration is an area of controversy, with management pay ratcheting higher, often without consequence for failure or poor performance. Compensation packages must be tied to long-term drivers of sustainable value, rather than a function of financial engineering. The timeframe for executive evaluations should be extended and there should also be a downside risk by requiring management to put significant 'skin in the game'.

If companies behave responsibly and act sustainably there are benefits for society in terms of economic prosperity, political stability, and trust in free markets. This in turn drives further benefits for the companies themselves. The Portfolio Manager therefore believes it makes sense to integrate into the investment process the consideration of a company's performance in addressing sustainability issues, even if the advantages of doing so take time to emerge.

### Remuneration
The Portfolio Manager believes that governance within UK companies is generally of a very high standard. This reflects the UK Corporate Governance Code and the long history of efforts to raise standards. Whilst there are many individual aspects of corporate governance that the Portfolio Manager considers, remuneration – the design and implementation in practice of pay structures to reward and incentivise behaviours that help the Company execute against its strategy – remains one of the most important.

The Portfolio Manager's view is that the basis of a good corporate remuneration policy is a well-constituted remuneration committee. This requires both the independence of the committee members and relevant experience in the field of remuneration. A committee must guard against the ratcheting upward of compensation awards, balancing this with attracting and retaining talent.

The Portfolio Manager encourages companies to set remuneration metrics that align with the overall strategy, reflecting appropriate financial incentives, in combination with non-financial metrics relating to environment and social issues. Environmental metrics should be calibrated to help address specific operational challenges, while on social issues relations with employees, customers, suppliers and the community should be reflected as appropriate.

Remuneration is a complex area and challenging to find the right balance between the various objectives and agendas. Shareholders will invariably give conflicting feedback to remuneration committees. Where the Portfolio Manager can have significant influence, they will engage with companies in the construction of the remuneration policy. Where they feel their shareholding in a given company is too low to ensure a constructive basis for engagement, they will share their own remuneration expectations document which sets out for companies what the Portfolio Manager expects to see.

The Portfolio Manager in conjunction with the Board will continue to develop the overall approach and push for higher standards, ensuring that they collectively protect shareholder interests and promote long-termism, set in the context of sustainability for all stakeholders.

### Engagement Policy
Engagement is central to the Portfolio Manager's process. Communicating with investee companies on areas of concern is a key aspect of the Portfolio Manager's approach. Having a long-term investment horizon and concentrated portfolio allows the Portfolio Manager to build meaningful relationships.

The engagement process is led and carried out by the Portfolio Manager, consistent with the Redwheel Stewardship Policy. The specifics of each process will be determined by the size of the exposure within the portfolio and the materiality of the identified risk, amongst other factors. The Portfolio Manager will draw from its own experience in assessing materiality risks as well as both the Company's own materiality assessment and independent assessments on a sector basis, such as the Materiality Map developed originally by the Sustainability Accounting Standards Board.

The method of engagement will depend on the engagement objectives. For example, where the Portfolio Manager holds a position in an investee company and is materially at odds with the Company's strategic direction or specific actions, it will usually set out its concerns in a letter to the Company and follow up with a meeting. In some instances, the Portfolio Manager will go further and set out a detailed analysis of the business or sector, with proposed alterations to strategy, and discuss this analysis with management.

The Portfolio Manager will engage with the chair of an investee company, particularly at times of management change or in relation to long-term questions on strategic direction. It may also engage with the investee company's senior independent director should it have concerns about the chair or about board effectiveness. Other engagements may take place in response to a request from the investee company themselves, such as engagements with the chair of the remuneration committee to discuss incentive structures and policies. Engaging in collaboration with other shareholders, and casting votes against management at a company's AGM provide further means to escalate concerns when direct bilateral engagement fails. As regards remuneration, the Portfolio Manager aligns its approach to reflect the guidance provided by the Pensions and Lifetime Savings Association and The Investment Association, as updated from time to time.

The evaluation of the outcome of the Portfolio Manager's engagements will depend on the type of engagement and the extent to which the original objective can be considered to have been achieved.

Where the Portfolio Manager looks for specific actions, it will assess the outcome on whether management or the board engaged and subsequently chose to act on the suggestions made. On other issues, the evaluation of the engagement may be more qualitative and not as transparent. The Portfolio Manager tries to be very open about the nature of its engagements and the outcomes of them.

Case studies of the Portfolio Manager's engagement with investee companies during the year are provided on pages 20 to 22 and are just some of numerous calls, meetings and written correspondence that the Portfolio Manager had with companies to discuss a variety of sustainability and ESG-related issues.

**Externalities and Non-Environmental Issues**
In addition to adopting a stewardship approach to investment and integrating sustainability and ESG considerations into its investment approach, the Board asks the Portfolio Manager to consider systemic externalities when assessing a company's suitability for inclusion in the portfolio. Systemic externalities are costs, usually considered as costs to society or the environment, which are not captured by market pricing. In particular, there are some areas where companies operating legally and ethically may, through their joint actions (whether or not coordinated), inadvertently contribute to the delivery of unintended consequences for people and planet , particularly in relation to climate change, global financial fragility, artificial intelligence, and antimicrobial resistance.

These are areas where the Board believes that engagement with investee companies, in conjunction with other asset owners, is of particular importance in order to raise awareness amongst companies of the need for market-based responses. The Portfolio Manager reports regularly to the Board with regard to its engagement with portfolio companies in relation to such issues.

**Future Developments**
The future development of the Company is dependent on the success of its investment strategy in the light of economic and equity market developments. The outlook is discussed in the Chairman's Statement on page 8 and the Portfolio Manager's Report on pages 14 to 17.

Strategic Report
On behalf of the Board

**Richard Wyatt**
Chairman

20 March 2025

# Governance Report

## Board of Directors

Richard Wyatt

**Chairman of the Board and Member of the Audit and Risk, Management Engagement and Nomination Committees**

Richard Wyatt was appointed a Director in 2017. He is a former Group Managing Director at Schroders and a Partner at Lazard. He was chairman of the media agency Engine Group and served on the Regulatory Decisions Committee of the FSA. He is currently a global partner of Rothschild & Co.

Shefaly Yogendra

**Member of the Audit and Risk Committee and Chair of the Management Engagement and Nomination Committees**

Shefaly Yogendra, PhD was appointed a Director in 2019. She built her career in the technology industry, followed by strategic advisory work on emerging technologies, and specialises in governance, growth, risk, and decision making. She is a non-executive director of Harmony Energy Income Trust PLC and JP Morgan US Smaller Companies Investment Trust PLC and was formerly a non-executive director of Witan Investment Trust plc. She was listed among the “100 Women To Watch” in the Female FTSE Board Report 2016.

## Charles Cade

**Senior Independent Director and member of the Audit and Risk Committee, Management Engagement Committee and Nomination Committee**

Charles Cade was appointed a Director in 2022. He has more than 30 years' experience in the investment companies sector, and was ranked among the leading analysts throughout his career at Numis Securities, Winterflood Securities, HSBC and Merrill Lynch. He joined the City following an MBA, having previously worked for a consultancy firm and as an economist in the UK government. He is currently a non-executive director of Vietnam Enterprise Investments Ltd, a member of the Investment Committee of the Rank Foundation charity, and an independent consultant to interactive investor, the retail platform.

## Carolyn Sims

**Chair of the Audit and Risk Committee, member of the Management Engagement Committee and Nomination Committee**

Carolyn Sims was appointed a Director in January 2023. She is the CFO of British International Investment plc (BII), the UK's Development Finance Institution. Before joining BII in 2020, Carolyn was CFO of the Wealth Management Division of Schroders plc and a member of its Group Management Committee. Prior to that, Carolyn was the CFO of Cazenove Capital Management Limited until its sale to Schroders in 2013. Carolyn started her career with Touche Ross & Co. where she qualified as a Chartered Accountant. She then joined Lazard where her roles included COO for Global Capital Markets and UK Finance Director.

# Report of Directors

The Directors present the Annual Report & Financial Statements of the Company for the year ended 31 December 2024.

**Directors**

The Directors of the Company who held office at 31 December 2024 and up to the date of the signing of the Annual Report are detailed on pages 44 and 45. As at 31 December 2024, the Board of Directors of the Company comprised two male and two female Directors.

All Directors will retire and stand for re-election at the Company's AGM on 6 May 2025. The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association. There are no agreements between the Company and its Directors concerning any compensation for their loss of office.

**Ordinary Dividends**

The interim dividends paid by the Company are set out in note 10 to the financial statements.

Subsequent to the year-end, the Board approved a fourth interim dividend for the year ended 31 December 2024 of 3.0p per ordinary share, which will be paid on 2 April 2025.

**Share Capital**

At the AGM held on 7 May 2024, the Company was granted authority to allot ordinary shares in the Company up to an aggregate nominal amount of £1,434,055, being 10% of the total issued share capital at that date, amounting to 28,684,101 ordinary shares. No shares were issued during the year.

The Company was also granted authority to purchase up to 14.99% of the Company's ordinary share capital in issue at that date, amounting to 42,948,772 ordinary shares.

The Company bought back 5,217,257 shares of 5p each at a total cost of £12.7m during the year. This represented 1.8% of the total voting rights at 31 December 2024. The shares bought back are held in treasury.

At 31 December 2024, the Company had 334,363,825 ordinary shares in issue, 48,968,201 of which were held in treasury. The total voting rights of the Company at 31 December 2024 were 285,395,624.

Subsequent to the year-end and up to 19 March 2025, the Company bought back 791,246 ordinary shares for treasury, at a total cost of £2.2m. At 19 March 2025, the Company had 334,363,825 ordinary shares in issue, 49,759,447 of which were held in treasury. The total voting rights at 19 March 2025 were 284,604,378.

Authorities given to the Directors at the 2024 AGM to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM.

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, for every share held. The ordinary shares carry the right to receive dividends and have one vote per ordinary share. To the extent that they exist, revenue, profits and certain of the Company's capital reserves (including accumulated revenue and realised capital reserves) are available for distribution by way of dividends to holders of ordinary shares.

Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares. There are no restrictions on the transfer of securities in the Company or on the voting rights of each ordinary share. There are no special rights attached to any of the shares and no agreements between holders of shares regarding their transfer known to the Company and no agreements which the Company is party to that might affect its control following a takeover bid.

An amendment to the Company's Articles of Association and the giving of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares are set out in the Notice of AGM on pages 93 to 96. Any issuance of shares, whether new shares or the re-issuance of treasury shares, will only be made at prices greater than the prevailing cum income NAV per share (with debt at fair value).

**Substantial Shareholders**

As at 31 December 2024, the Company had been notified of the following substantial interests in the Company's voting rights and there have not been any new holdings notified between the year end and the date of this report.

| | Number of ordinary shares | Percentage of voting rights |
|---|---|---|
| City of London Investment Management Company Limited | 14,206,978 | 4.96 |

This table reflects those shareholders who have notified the Company of a substantial interest in its shares when they have crossed certain thresholds and may not reflect their current holding. The table does not reflect the full range of investors in the Company. The shareholder register is principally comprised of private wealth managers and retail investors owning their shares through a variety of online platforms.

**Management Arrangements**
Under the terms of the Portfolio Management Agreement, Redwheel is paid a management fee equal to 0.325% per annum of the Company's total assets. The Portfolio Management Agreement may be terminated on six months' notice. The Portfolio Management Agreement is also capable of termination in certain circumstances including in the event that both Nick Purves and Ian Lance cease to be responsible for the management of the Company's assets or otherwise become incapacitated.

Under the terms of the AIFM agreement, Frostrow Capital LLP ('Frostrow') are paid 0.125% of market capitalisation up to £250m and 0.1% of market capitalisation above £250m.

**Continued Appointment of the AIFM and Portfolio Manager**
The Board keeps the performance of the Portfolio Manager and the AIFM under continual review, and the Management Engagement Committee conducts an annual appraisal of their performance, and makes a recommendation to the Board about their continuing appointment.

It is the opinion of the Board that the continuing appointment of the Portfolio Manager, on the existing terms, is in the best interests of shareholders as a whole. The reasons for this view are that the Portfolio Manager has executed the investment strategy according to the Board's expectations and has produced positive returns relative to the broader market.

The Company appointed Frostrow as its AIFM with effect from 1 July 2023. Frostrow is also responsible for the Company's marketing and distribution strategy. It is the Directors' opinion that the continuing appointment of Frostrow as AIFM is also in the best interests of the Company and its shareholders as a whole.

**Requirements of the UK Listing Rules**
UK Listing Rule 6.6.6 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

**Streamlined Energy and Carbon Reporting**
The Company's approach to ESG is set out on page 18.

**Stakeholder Engagement**
While the Company has no employees, or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders. The effect of this consideration upon the principal decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on page 29.

**Financial Risk Management**
Information about the Company's financial risk management objectives and policies is set out in note 20 to the Financial Statements.

**Disclosure of Information to the Auditor**
The Directors who held office at the date of the approval of the Annual Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all reasonable steps that he/ she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

**Post Balance Sheet Events**
Post balance sheet events are disclosed in note 21 on page 91 to the financial statements.

**Future Developments**
Details on the outlook of the Company are set out in the Chairman's Statement on page 8 and the Portfolio Manager's Report on pages 14 to 17.

**Annual General Meeting ("AGM")**
The Notice of the AGM of the Company to be held on 6 May 2025 is on pages 93 to 96. In particular, resolutions regarding the following items of business will also be proposed.

**Dividend Policy**
Resolution 9 set out in the Notice of AGM is for shareholders to approve the Company's dividend policy which is to authorise Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year to not be categorised as a final dividend. This is subject to shareholder approval.

As set out in the Chairman's Statement on pages 7 and 8, it is proposed that the dividend policy is amended so that interim dividends are enhanced by the distribution of approximately 3.0p per share per annum to be sourced from the Company's distributable capital reserves.

**Authority to Allot Shares**
Resolution 10 set out in the Notice of AGM is an ordinary resolution and will, if passed, authorise the Directors to allot up to 28,460,437 ordinary shares with a nominal value of £1,423,021 or 10% of the Company's ordinary shares in issue at the date at which this resolution is passed. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2026 when a resolution to renew the authority will be proposed.

The Directors intend to use this authority whenever they believe it would be in the best interests of shareholders to do so. Any such issues would only be made at prices greater than the prevailing NAV per share at the time of issue, including current year income, as adjusted for the market value of the Company's debt and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

**Authority to Disapply Pre-Emption Rights**
When shares are to be allotted for cash, the Companies Act 2006 requires such new shares to be offered first to existing shareholders in proportion to their existing holdings of ordinary shares.

However, in certain circumstances, it is beneficial to allot shares for cash otherwise than by pro rata to existing shareholders and the ordinary shareholders can, by special resolution, waive their pre-emption rights.

Resolution 11 set out in the Notice of AGM is a special resolution and will, if passed, authorise the Directors to allot up to 28,460,437 ordinary shares with a nominal value of 1,423,021 or 10% of the Company's ordinary shares in issue at the date at which this resolution is passed, for cash on a non-pre-emptive basis. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2026 when a resolution to renew the authority will be proposed.

The Directors intend to use this authority whenever they believe it would be in the best interests of shareholders to do so. Any such issues (including the re-issuance of shares held in treasury) would only be made at prices greater than the prevailing NAV per share (with debt at fair value) at the time of issue, including current year income, and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

No issues of shares will be made which would alter the control of the Company without the prior approval of shareholders in general meeting.

**Authority to Purchase the Company's Own Shares**
The Directors consider it desirable to give the Company the opportunity to buy back shares in circumstances where the shares may be bought for a price which is below the NAV per share of the Company. The purchase of ordinary shares is intended to reduce the discount at which ordinary shares trade in the market through the Company becoming a source of demand for such shares, as well as being accretive to the NAV per share. During the year, the Company continued to buy back shares for this purpose with the shares being held in treasury.

Resolution 12 set out in the Notice of AGM is a special resolution and will, if passed, authorise the Directors to buy back up to 14.99% of the Company's shares in issue at the date at which the resolution is passed. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2026 when a resolution to renew the authority will be proposed. 5,217,257 shares have been bought back under this authority during the year and 791,246 shares have been bought back under this authority post year-end to 19 March 2025. The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of:

i) 5% above the average of the mid-market value of shares for the five business days before the day of purchase; or

ii the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange.

The minimum price which may be paid for an ordinary share is the nominal value of 5p each.

The decision as to whether to buy back any ordinary shares will be at the discretion of the Board. Ordinary shares bought back in accordance with the authority granted to the Board will either be held in treasury or cancelled. Shares held in treasury may be reissued from treasury but will only be reissued at a price that is in excess of the Company's then prevailing NAV per share with debt at fair value. This authority will expire at the AGM to be held in 2026 when a resolution to renew the authority will be proposed.

**Notice Period for General Meetings**
Under the Companies Act 2006, the notice period of general meetings (other than an AGM) is 21 clear days' notice unless the Company: (i) has gained shareholder approval for the holding of general meetings on a shorter notice period (subject to a minimum of 14 clear days' notice) by passing a special resolution at the most recent AGM; and (ii) offers the facility for all shareholders to vote by electronic means.

The Company would like the ability to call general meetings (other than an AGM) on less than 21 clear days' notice. The shorter notice period proposed by Resolution 13, a special resolution, would not be used as a matter of routine, but only where the flexibility is merited taking into account the business of the meeting and is thought to be in the interests of shareholders as a whole. The approval will be effective until the end of the AGM to be held in 2026, when it is intended that a similar resolution will be proposed.

**Recommendation**
The Board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings.

On behalf of the Board

**Richard Wyatt**
Chairman

20 March 2025

# Corporate Governance Statement

The Corporate Governance Statement and reports from the Committees form part of the Report of Directors.

Corporate governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance.

**Compliance with the AIC Code of Corporate Governance (the "AIC Code")**
The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

As Temple Bar is a UK-listed company, the Board's principal governance reporting obligation is in relation to the UK Code of Corporate Governance (the "UK Code") issued by the Financial Reporting Council (the "FRC"). However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and as such the day-to-day functions of the Company are outsourced to third parties. The AIC has therefore drawn up its own set of guidelines known as the AIC Code, last updated in February 2019, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third- party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will meet their obligations in relation to the UK Code and Listing Rule 6.6.6. The Board has chosen to report against the AIC Code as it believes that its principles and recommendations will provide better information to shareholders than reporting against only the UK Code.

A copy of the AIC Code can be found at www.theaic.co.uk.

A copy of the UK Code can be obtained at www.frc.org.uk. The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of Temple Bar, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations such as an internal audit function. The Company has therefore not reported further in respect of these provisions.

**The Board of Directors**
Under the leadership of the Chairman, the Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Portfolio Manager.

As at 31 December 2024, the Board consisted of four non-executive Directors.

The Board seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection from the Company's registered office. None of the Directors has a service contract with the Company nor has there been any other contractual arrangement between the Company and any Director at any time during the year. Directors are not entitled to compensation for loss of office.

The Directors have access to independent professional advice at the Company's expense if required. This is in addition to the access that every Director has to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

**Chairman and Senior Independent Director ("SID")**
The Chairman, Richard Wyatt, is independent and the Board considers that he has sufficient time to commit to the Company's affairs. The Chairman's other commitments are detailed in his biography on page 44.

There is a clear division of responsibility between the Chairman, the Directors, the Portfolio Manager and the Company's other third-party service providers. The Chairman is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.

Charles Cade is the Company's SID. He acts as a sounding Board for the Chairman, takes the lead in the annual evaluation of the Chairman by the independent Directors, provides a channel for any shareholder concerns regarding the Chairman and is available to meet with major shareholders as appropriate. In periods of stress, the SID works with the Chairman, the other Directors, and/or shareholders to resolve any issues.

The documents setting out the roles of the Chairman and SID are available on the Company's website.

**Board Operation**
The Directors have adopted a formal schedule of matters specifically reserved for their approval. These include the following:

- approval of the Company's investment policy, long-term objectives and strategy;
- approval of annual and half-yearly reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- raising new capital;
- approval of dividends;
- board appointments and removals;
- appointment and removal of the AIFM, Administrator and Company Secretary and Portfolio Manager; and
- approval of the Company's annual expenditure budget.

At each Board meeting the Directors follow a formal agenda, which includes a review of investment performance, analysis of the peer group, marketing and financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

The Board meets regularly throughout the year and representatives of the AIFM and Portfolio Manager are in attendance, when appropriate, at each meeting. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company and all Directors have timely access to all relevant management, financial and regulatory information.

**Committees**
The Board has established three committees to assist its operations: the Audit and Risk Committee, the Management Engagement Committee and the Nomination Committee. Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee.

The need for a separate Remuneration Committee will be kept under review but, at present, given the size of the Board, the functions which a Remuneration Committee would be responsible for are overseen by the full Board.

**Audit and Risk Committee**
The Audit and Risk Committee is chaired by Carolyn Sims. The Committee meets formally at least twice a year. The Board is satisfied that members of the Committee have relevant and recent financial experience to fulfil their role effectively and also have sufficient experience of the investment trust sector.

See page 45 for Carolyn's biographical details.

The Committee has direct access to the Company's Auditor and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor are invited to attend the Committee meeting at which the annual accounts are considered and any other meetings that the Committee deems necessary.

Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee. The Directors therefore believe it is appropriate for Richard Wyatt, the Chairman of the Board, to be a member of the Committee given his financial experience and experience of the Company overall. The Committee is also of the view that his membership would not compromise his independence as Chairman of the Board.

**Management Engagement Committee**
The Management Engagement Committee comprises all Directors and is chaired by Shefaly Yogendra. The Committee met twice during the year to review the ongoing performance and the continuing appointment of all service providers of the Company, including the Portfolio Manager. The Committee also considers any variation to the terms of all service providers' agreements and reports its findings to the Board.

**Nomination Committee**
A Nomination Committee comprising all Directors oversees a formal review procedure governing the appointment of new Directors and evaluates the overall composition of the Board, taking into account the existing balance of skills, experience and knowledge. The Committee is also responsible for assessing, on an annual basis, the individual performance of each Director and for making recommendations as to whether they should remain in office. This Committee is chaired by Shefaly Yogendra. The Committee met once during the year, to discuss Board composition, succession and the re-election of each Director.

The terms of reference of the Committees are available on the Company's website.

**Meeting Attendance**
The table below sets out the Directors' attendance at Board and Committee meetings held during the year ended 31 December 2024.

| | Board | | Audit and Risk Committee | | Management Engagement Committee | | Nomination Committee | |
|---|---|---|---|---|---|---|---|---|
| | Meetings Held | Meetings Attended | Meetings Held | Meetings Attended | Meetings Held | Meetings Attended | Meetings Held | Meetings Attended |
| Lesley Sherratt* | 5 | 3 | 2 | 1 | 2 | 1 | 1 | 1 |
| Richard Wyatt | 5 | 5 | 2 | 2 | 2 | 2 | 1 | 1 |
| Shefaly Yogendra | 5 | 5 | 2 | 2 | 2 | 2 | 1 | 1 |
| Charles Cade | 5 | 5 | 2 | 2 | 2 | 2 | 1 | 1 |
| Carolyn Sims | 5 | 5 | 2 | 2 | 2 | 2 | 1 | 1 |

* Retired from the Board on 7 May 2024.

**Independence of the Directors**
The Board has reviewed the independence status of each individual Director and the Board as a whole. All Directors are considered to be independent of the Portfolio Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

**Induction and Training**
New Directors appointed to the Board are provided with an induction programme which is tailored to the particular circumstances of the appointee. The Company Secretary will offer induction training to new Directors about the Company, its key service providers, the Directors' duties and obligations and other matters as may be relevant from time to time. Regular briefings are provided during the year on industry and regulatory matters and the Directors receive other relevant training as required.

**Director Appointment, Re-Election and Tenure**
The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006.

Under the Company's Articles of Association, Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, at each AGM any Director who has not stood for re- election at either of the two preceding AGMs shall retire. Beyond these requirements and in accordance with the AIC Code, the Board has agreed a policy whereby all Directors will seek annual re- election at the Company's AGM.

The tenure of each independent, non-executive director, including the Chairman, is not ordinarily expected to exceed nine years. It should be noted that, in practice, the date of departure from the Board may be on the day of the Annual General Meeting following this anniversary.

However, the Board has agreed that the tenure of the Chairman may be extended for a limited time provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chairman is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Notwithstanding this expectation, the Board considers that a director's tenure does not necessarily reduce his or her ability to act independently and will continue to assess each director's independence annually, through a formal performance evaluation.

The Board has carefully considered the position of each of the Directors and, following the annual Board evaluation, all of the Directors continue to be effective and to display an undiminished enthusiasm and commitment to the role. The Board therefore believes that it is in the best interests of shareholders that each of the following Directors is re-elected at the forthcoming AGM. The specific reasons for the re-election of each Director are set out below:

- Richard Wyatt: Richard typically adopts a 'big picture' approach to Board discussion and decision making. He is well reasoned, knowledgeable and possesses a good understanding of the impact of current events. In certain contexts, Richard's ability to approach issues from a unique perspective provides important balance to Board discussion.
- Shefaly Yogendra: Shefaly has extensive experience of governance and risk, an increasingly important attribute in the Board's risk management and decision-making process. This particular skillset contributes significantly to Board balance and discussion.
- Charles Cade: Charles joined the Board on 24 March 2022, and has brought with him a wealth of experience and expertise in the investment trust sector. His extensive career in the investment sector and his relevant expertise and experience has proved invaluable to the Board.
- Carolyn Sims: Carolyn has been a CFO of asset and wealth management businesses for over 15 years. From that she brings a wealth of technical accounting and reporting, regulatory, risk and operational business management experience.

**Diversity**
The Board supports the principle of Boardroom diversity, of which gender, ethnicity and cognitive diversity are important aspects. The Company's policy is that the Board and its committees should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments should be made on merit against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board will be a key consideration in any director search process. The Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment and, from the shortlist, aims to ensure that a diverse range of candidates is brought forward for interview.

The following two tables provide the breakdown in gender identity and ethnic representation on the Board in accordance with the Listing Rules. As the Company is an investment trust it does not have any executive directors, executive or senior management, or employees so only information regarding the Directors is disclosed.

**Reporting table on sex/gender representation as at 31 December 2024**

| | Number of Board members | Percentage of the Board |
|---|---|---|
| Male | 2 | 50% |
| Female | 2 | 50% |
| Prefer not to say | – | – |

**Reporting table on ethnicity representation as at 31 December 2024***

| | Number of Board members | Percentage of the Board |
|---|---|---|
| White British or other White (including minority- white groups) | 3 | 75% |
| Mixed/Multiple Ethnic Groups | – | – |
| Asian/Asian British | 1 | 25% |
| Black/African/ Caribbean/Black British | – | – |
| Other ethnic group | – | – |
| Not specified/ prefer not to say | – | – |

* There were four Directors serving on the Board as at 31 December 2024.

**Board Succession**
Post the year-end, the Nomination Committee met to discuss Chairman succession and also the recruitment of an additional new Director, to ensure an orderly succession and induction process.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new Directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry/Company knowledge.

**Board Evaluation**
The Directors are aware that they need to continually monitor and improve performance, and recognise that this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness.

Following last year's external evaluation, the evaluation of the Board and the Chairman was conducted through a discussion covering a range of areas including strategy, processes and effectiveness, size and composition, and corporate governance. The discussion was designed to assess the strengths, areas of improvement and independence of the Board, together with the performance of its Committees, the Chairman and individual Directors.

The results of the Board and Chairman evaluation were discussed by the Nomination Committee. Following the evaluation process, the Board considers that all the Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company.

**Conflicts of Interest**
Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts and there is a procedure in place to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all relevant circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed by the Directors at Board meetings to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position.

**Shareholder Communications**
Shareholder relations are given high priority by both the Board and the Portfolio Manager. The principal medium by which the Company communicates with shareholders is through annual and half-yearly reports. The information contained therein is supplemented by daily NAV announcements, a monthly factsheet available on the Company's website and a quarterly newsletter. Further information on engagement with shareholders can be found under the Section 172 Statement on page 28.

**Internal Control Review**
The Directors are responsible for the systems of internal control relating to the Company and the reliability of the financial reporting process, and for reviewing its effectiveness. The Directors have reviewed and considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting and an ongoing process has been established for identifying, evaluating and managing the principal and emerging risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this Annual Report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

**Internal Control Assessment Process**
Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective.

A risk register has been produced against which identified and emerging risks and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk matrix is reviewed on a regular basis by the Audit and Risk Committee.

The Directors have carried out a review of the effectiveness of the Company's risk management and internal control systems as they have operated over the year and up to the date of approval of the Annual Report. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

The majority of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third-party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, where available, which is reviewed by the Audit and Risk Committee.

On behalf of the Board

**Richard Wyatt**
Chairman

20 March 2025

# Report on Directors' Remuneration

The Board presents the Report on Directors' Remuneration for the year ended 31 December 2024.

**Statement from the Chairman**

As set out in the Corporate Governance Statement on page 50, the Company does not have a Remuneration Committee and the Directors' remuneration is determined by the Board as a whole. No Director is involved in deciding their own individual remuneration. The Board reviews Directors' fees on an annual basis to ensure that they remain appropriate and are in line with the level of remuneration for other investment trusts of a similar size. During the year ended 31 December 2024, the annual fees were set at a rate of £45,750 for the Chairman, £35,750 for the Chair of the Audit and Risk Committee and £30,000 for a Director.

The Board met in November 2024 and discussed the proposed Director fees for the year ending 31 December 2025. The Board agreed to keep the fees for the Chairman and Chair of the Audit and Risk Committee unchanged and increase the fees for other Directors by £500 pa. With effect from 1 January 2025, annual fees were therefore increased to £30,500 pa for the other Directors. No remuneration consultants were engaged by the Company during the financial year under review.

**Remuneration Policy**

The Directors' Remuneration Policy was last approved at the Company's AGM in 2023. The policy is required to be put to a shareholders' vote at least once every three years and, in any year, if there is to be a change in the Directors' remuneration policy. Accordingly, an ordinary resolution will be put to shareholders at the AGM to be held in 2026 to receive and approve the Directors' remuneration policy and will take effect once approved by shareholders. The Remuneration Policy will then remain in place for a further three years or until such time as the Board may choose to make a change to the Policy (whereby they would put any changed Remuneration Policy to shareholders for approval), whichever is earliest. This ordinary resolution will be in addition to the ordinary resolution which will be put to shareholders to receive and approve the Directors' Remuneration Report.

The proposed Directors' remuneration policy is set out below in full and is unchanged from that previously approved by shareholders. There will be no change in the way that the Remuneration Policy will be implemented compared to how it was implemented in the financial year under review and since its last approval by shareholders at the AGM held in 2023.

**Purpose and link to strategy**

Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.

**Maximum and minimum levels**

Remuneration consists of a fixed fee each year, set in accordance with the stated policies, and any increase granted must be in line with the stated policies.

The Board reviews the quantum of Directors' fees each year to ensure this is in line with the level of remuneration for other investment trusts of a similar size.

When making recommendations for any changes in fees, the Board considers wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).

There is no compensation for loss of office.

Shareholder views in respect of Directors' remuneration are communicated at the AGM and are taken into account when formulating the Directors' remuneration policy.

**Voting at AGM**

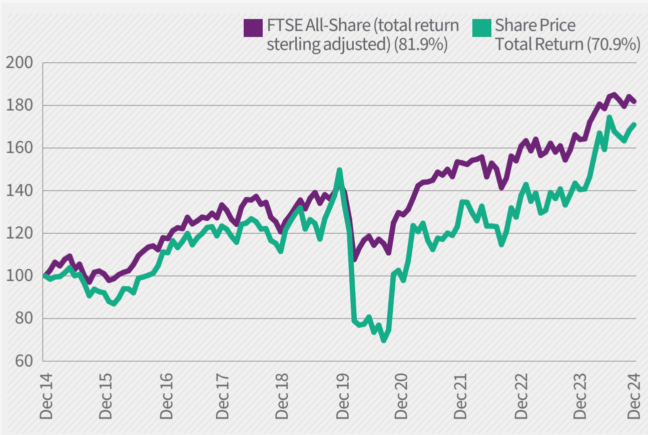
The Report on Directors' Remuneration for the year ended 31 December 2023 was approved by shareholders at the AGM held on 7 May 2024. 99.5% of poll votes in respect of the approval of the Report on Directors' Remuneration were in favour, 0.5% were against and 170,298 votes were withheld. The Directors' Remuneration Policy was approved by shareholders at the AGM held on 9 May 2023. 99.5% of proxy votes in respect of approval of the Remuneration Policy were in favour, 0.5% were against and 163,251 votes were withheld.

**Performance Graph**

The Company tries to meet its stated investment objective by investing primarily in UK equities across different sectors, while maintaining a balance of larger and smaller/medium-sized companies. The FTSE All-Share Index is a very broad UK-based index, which makes it an appropriate benchmark for the Company's strategy and UK value mandates in general, due to its coverage of small cap companies as well as the larger-cap listings found in the main FTSE Indices.

The Directors consider that the most appropriate measure of the Company's performance is its share price total return compared with the total return on the FTSE All-Share Index. A graph illustrating this relative performance over a ten-year period is shown below.

**Temple Bar Total Return Ten Years to 31 December 2024**




Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns. Rebased to 100 as at 31 December 2014.

### Remuneration for the Year Ended 31 December 2024 (audited)

The aggregate limit of Directors' fees of £250,000 per annum is set out in the Company's Articles of Association. Approval of shareholders would be required to increase this limit.

It is the Company's policy that no Director shall be entitled to any performance-related remuneration, benefits in kind, long-term incentive schemes, share options, pensions or other retirement benefits or compensation for loss of office. None of the Directors have a service contract with the Company, nor are they required to serve a notice period.

The remuneration paid to the Directors during the year is set out in the table below:

**Total amount of fixed fees**

| | 2024 £ | 2023 £ |
|---|---|---|
| Arthur Copple[1] | – | 16,188 |
| Lesley Sherratt[2] | 12,604 | 35,750 |
| Richard Wyatt[3] | 45,750 | 40,289 |
| Shefaly Yogendra | 30,000 | 29,500 |
| Charles Cade | 30,000 | 29,500 |
| Carolyn Sims[4] | 33,906 | 29,500 |
| **Total** | **152,260** | **180,727** |

1 Retired from the Board on 9 May 2023.
2 Retired from the Board on 6 May 2024.
3 Appointed Chairman of the Board from 9 May 2023.
4 Appointed as a Director on 1 January 2023 and Chair of the Audit and Risk Committee on 6 May 2024.

There were no taxable benefits received by any Directors during the year.

### Annual percentage change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees over the last three years and for the forthcoming year.

| | % change | | | |
|---|---|---|---|---|
| | 2024 to 2025 | 2023 to 2024 | 2022 to 2023 | 2021 to 2022 |
| Chairman | – | – | +5.2 | +12.3 |
| Chair of the Audit and Risk Committee | – | – | +5.1 | +10.6 |
| Director | **+1.7** | +1.7 | +5.4 | +8.7 |

### Expenditure by the Company on Remuneration and Distributions to Shareholders

The table below compares the remuneration paid to Directors with distributions made to shareholders by way of a dividend, ongoing charges of the Company, and shares bought back during the year under review and the prior financial year.

**Relative importance of Spend on Pay**

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Directors' Remuneration | 152 | 181 |
| Total Dividends | 30,817 | 28,932 |
| Ongoing charges[1] | 4,737 | 4,095 |
| Cost of share buybacks during year | 12,708 | 63,535 |

1 See Glossary on page 99.

### Directors' Shareholdings (audited)

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

The beneficial interests of the Directors' and any connected persons in the shares of the Company are set out below:

| | 2024 Number of shares | 2023 Number of shares* |
|---|---|---|
| Lesley Sherratt ^ | n/a | 325,000 |
| Richard Wyatt | 50,000 | 50,000 |
| Shefaly Yogendra | 4,500 | 4,500 |
| Charles Cade | 50,000 | 50,000 |
| Carolyn Sims | – | – |

* Figures re-stated in light of the share split as approved by shareholders in May 2022.·
^ Retired from the Board on 6 May 2024..

There were no changes in the interests shown above between 31 December 2024 and the date of this Annual Report.

### Approval

The Report on Directors' Remuneration was approved by the Board and signed on its behalf by:

**Richard Wyatt**
Chairman

20 March 2025

# Report of the Audit and Risk Committee

**I am pleased to present the Report of the Audit and Risk Committee (the "Committee") for the year ended 31 December 2024.**

**Role and Responsibilities of the Committee**
The Committee's main responsibilities during the year were:

- To review the Company's Half-Year and Annual Report. In particular, to consider and advise the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable;
- To review the risk management and internal control processes of the Company and its key service providers;
- To develop and implement a policy for the engagement of the external Auditor and agreeing the scope of its work and its remuneration. Also, to be responsible for the selection process of the external Auditor (including the leadership of an audit tender process) and to have primary responsibility for the Company's relationship with the external Auditor;
- To review the effectiveness of the external audit and the process;
- To review the independence and objectivity of the external Auditor;
- To consider any non-audit work to be carried out by the Auditor. The Committee reviews the need for non-audit services to be provided by the Auditor and authorises such on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditor;
- To consider the need for an internal audit function. Since the Company delegates its day-to-day operations to third parties and has no employees, the Committee has determined there is no requirement for such a function;
- To assess the going concern and viability of the Company, including the assumptions used; and
- To report its findings to the Board.

A comprehensive description of the Committee's role, its duties and responsibilities, can be found in its terms of reference which are available for review on the Company's website at www.templebarinvestments.co.uk.

**Composition and Meetings**
The Committee met twice during the year under review. In addition, the Committee meets the Auditor at least annually, without any other party present, for a private discussion. Details of the composition of the Committee are set out in the Corporate Governance Statement on page 50. The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. I have recent and relevant financial experience with which to fulfil my role as Chair of the Committee, and the Committee as a whole has competence relevant to the investment trust sector.

**Matters Considered During the Year**
During the year, and to the date of this Annual Report, the Committee has:

- reviewed the Company's Annual and Half Year Reports;
- reviewed the internal controls and risk management systems of the Company and its third-party service providers;
- received a cyber security update from Equiniti Group, the Company's Registrar;
- agreed the audit plan and fees with the Auditor in respect of the audit, including the principal areas of focus;
- received and discussed with the Auditor its report on the results of the audit; and
- reviewed the performance and effectiveness of the Auditor and considered its re-appointment and fees.

## Significant Issues Considered by the Committee

The Committee considered the following key issues in relation to the Company's financial statements during the year:

| Significant issue | How the issue was addressed |
|---|---|
| Annual Report and Financial Statements | The production of the Company's Annual Report (including the audit by the Company's external Auditor) is a thorough process involving input from a number of different areas.<br><br>In order to be able to confirm that the Annual Report is fair, balanced and understandable, the Board has requested that the Committee advise on whether it considers these criteria have been satisfied. As part of this process the Committee has considered the following:<br>• the procedures followed in the production of the Annual Report, including the processes in place to assure the accuracy of the factual content;<br>• the extensive levels of review that were undertaken in the production process, by the Company's AIFM and the Committee; and<br>• the internal control environment as operated by the Portfolio Manager, AIFM and other service providers.<br><br>As a result of the work undertaken by the Committee, it has confirmed to the Board that the Annual Report and the Financial Statements for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's financial position, performance, business model and strategy.<br><br>The Committee addressed the overall accuracy of the Annual Report by undertaking a detailed review, and also considering a letter from Frostrow in support of the letter of representation made by the Board to the Auditor and the Auditor's Report to the Committee. |
| Valuation and ownership of the investment portfolio | The Board reviews detailed portfolio valuations at each meeting. It relies on the AIFM and the Portfolio Manager to use correct listed prices and seeks comfort in the testing of this process through their internal control statements. This was discussed with the AIFM and Portfolio Manager and Auditor at the conclusion of the audit.<br><br>The Company uses the services of an independent Depositary (BNYM) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the AIFM and Portfolio Manager on a monthly basis. The Depositary provides a six-monthly report to the Board in relation to its monitoring and oversight of activities. |
| Incomplete or inaccurate revenue recognition | Income received is accounted for in accordance with the Company's accounting policies as set out in note 1 to the financial statements.<br><br>The Board receives income forecasts, including special dividends, together with explanations from the Portfolio Manager for any significant movements from previous forecasts. |
| Maintenance of investment trust status | The Committee regularly considers the controls in place to ensure that the regulations for maintaining investment trust status are observed at all times and receives supporting documentation from the AIFM. |
| Going concern and long-term viability of the Company | The Committee considered the Company's financial requirements for the next twelve months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the year ended 31 December 2024, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 38. |

**Internal Controls and Risk Management**
The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third party service providers.

The Committee reviewed and updated the risk matrix during the year in consideration of the Company's principal and emerging risks. In addition, the Committee reviews the Company's risk heat map on a regular basis. This enables the Committee to assess all current and emerging risks faced by the Company and to discuss in detail how these can be mitigated and agree any action to be taken. The risks are considered individually and collectively so as to ensure the potential combined impact of all risks can be considered and appropriate action taken. The Committee received reports on internal controls and compliance from the Portfolio Manager and the Company's other service providers and no significant matters of concern were identified. Details of the principal and emerging risks faced by the Company can be found on pages 35 to 37.

**Half-Year Report & Financial Statements**
The Committee reviewed the Half Year Report and Financial Statements, which are not audited or reviewed by the Auditor, to ensure that the accounting policies were consistent with those used in the annual financial statements and that they portrayed a fair, balanced and understandable picture of the period in question.

**Internal Audit**
The Company does not have an internal audit function.

The Committee monitors and considers the need for an internal audit function on (at least) an annual basis. The Committee continues to believe that the Company does not require an internal audit function as it delegates its day-to-day operations to third parties from whom it receives and reviews internal control reports.

**Depositary**
During the year, the Committee reviewed reports from the Depositary on their regulatory oversight and due diligence duties. Nothing material was brought to the attention of the Committee.

**External Auditor**
This is the fifth audit for BDO LLP following its appointment at the AGM held in March 2020. Audit fees for the year ended 31 December 2024 are set out in note 7 to the financial statements.

The Auditor is required to rotate the audit partner every five years. Peter Smith has been the audit partner since BDO LLP's appointment, and so will rotate off the Company's audit following the completion of this years audit.

Peter Smith will be succeeded by Jamie Smith who I met prior to his formal appointment.

There were no non-audit services provided by the Auditor during the year.

**Effectiveness of the External Audit**
The Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment and the terms of engagement of the Auditor. The Chair of the Committee met with the Company's Audit Partner prior to the finalisation of the audit of the Annual Report & Financial Statements for the year ended 31 December 2024, without the Portfolio Manager or the AIFM being present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers. No concerns were raised in respect of the year ended 31 December 2024.

**Independence and Objectivity of the Auditor**
The Committee has considered the independence and objectivity of the Auditor and is satisfied that the Auditor has fulfilled its obligations to the Company and its shareholders. The Committee remains satisfied that BDO as a firm, its audit engagement team, audit partner, all other partners, directors and managers comply with all relevant ethical requirements as required and are independent of the Company. The Auditor's independence and objectivity are safeguarded by several control measures which include the rotation of the audit partner every five years and by the fact that no non-audit services were provided by BDO during the year. The Committee reviews the continuing appointment of the Auditor on an annual basis and gives regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

**Appointment of the Auditor**
Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of BDO LLP as Auditor to the Company. Resolutions for BDO LLP's reappointment and to authorise the Committee to determine its remuneration will be proposed at the forthcoming AGM.

As a public company listed on the London Stock Exchange, the Company is subject to mandatory auditor rotation requirements. Based on these requirements, a tender process will be conducted no later than 2029. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

**The Competition and Markets Authority ("CMA") Order**
The Company has complied with the provisions of the CMA Order throughout the year ended 31 December 2024.

**Performance Evaluation**
The Committee's performance over the past year was reviewed as part of the annual Board evaluation. The internal evaluation considered the composition of the Committee and the efficacy of Committee meetings, as well as assessing the Committee's role in monitoring and overseeing the Company's financial reporting and accounting, risk management and internal controls, compliance with corporate governance regulations and the assessment of the external audit.

I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were highlighted.

**Audit and Risk Committee Confirmation**
The Audit and Risk Committee confirms that it has carried out a review of the effectiveness of the system of internal financial control and risk management during the year, as set out above and that:

(a) An ongoing procedure for identifying, evaluating and managing significant risks faced by the Company was in place for the year under review and up to 20 March 2025. This procedure is regularly reviewed by the Board; and

(b) It is responsible (on behalf of the Board) for the Company's system of internal controls and for reviewing its effectiveness and that it is designed to manage the risk of failure to achieve business objectives. This can only provide reasonable not absolute assurance against material misstatement or loss.

**Carolyn Sims**
Chair of the Audit and Risk Committee

20 March 2025

# Report of the Management Engagement Committee

**I am pleased to present the Report of the Management Engagement Committee (the "Committee") for the year ended 31 December 2024.**

**The Role of the Committee**
The Committee's primary responsibilities are to:

- monitor and evaluate the performance of both the Portfolio Manager and the AIFM and their compliance with the terms of their respective agreements;
- review the terms of the Portfolio Management and AIFM Agreements annually to ensure that the terms conform with market and industry practice and remain in the best interests of shareholders;
- recommend to the Board any variation to the terms of the Investment Management and AIFM Agreements which it considers necessary or desirable;
- review and make the appropriate recommendations to the Board as to whether the continuing appointment of the Portfolio Manager and the AIFM are in the best interests of the Company and shareholders;
- review the level and method of remuneration of the Portfolio Manager;
- monitor the appropriateness and compliance of other service providers' terms of their respective agreements;
- review, consider and recommend to the Board any amendments to the terms of the appointment and remuneration of other service providers; and
- consider any points of conflict of interest which may arise between the service providers.

**Matters Considered During the Year**
The Committee met twice during the year ended 31 December 2024. At the meetings, the Committee:

- reviewed the performance of the AIFM and the Portfolio Manager. An additional meeting of the Committee was held to undertake an in-depth review of the Company's Portfolio Manager. The review concluded that the Portfolio Manager continued to perform well;
- considered and agreed to the continuing appointment of the AIFM and Portfolio Manager; and
- considered the services provided by the Company's other third-party service providers.

The Committee agreed when it met in November 2024 that it had been satisfied with the performance of all of the Company's service providers to date.

**Shefaly Yogendra**
Chair of the Management Engagement Committee

20 March 2025

# Report of the Nomination Committee

**I am pleased to present the Report of the Nomination Committee (the "Committee") for the year ended 31 December 2024.**

**The Role of the Committee**
The Committee's primary responsibilities are to:

- regularly review the structure, size and composition (including the skills, knowledge, diversity, ethnicity and experience) of the Board;
- give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- using objective criteria, identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review the results of the Board performance evaluation process that relate to the composition and the succession planning of the Board;
- make recommendations on the tenure of the Chairman of the Board; and
- review annually the time required from Directors and any other business interest that may result in a conflict.

**Matters Considered During the Year**
The Committee met once during the year ended 31 December 2024. At this meeting, the Committee:

- discussed Board composition and succession planning, where it was noted that Lesley Sherratt would be retiring from the Board at the conclusion of the Company's AGM, that was held on Tuesday, 7 May 2024. A recommendation was made to the Board that Carolyn Sims should succeed her as Chair of the Audit and Risk Committee. It was further agreed to recommend to the Board that Charles Cade should succeed her as the Senior Independent Director;
- reviewed and agreed the Board diversity disclosure to be contained in the Company's Annual Report and Accounts;
- considered the re-election of each of the current Directors (with the exception of Lesley Sherratt) at the forthcoming AGM;
- reviewed the results of the external Board evaluation; and
- Post the year-end, the Committee met to discuss Chairman succession and also the recruitment of an additional new Director, to ensure an orderly succession and induction process.

The Committee carefully considered the position of each of the Directors, including the findings of the external Board evaluation, and concluded that all of the Directors continued to be effective and to display an undiminished enthusiasm and commitment to the role. The Committee therefore recommended to the Board that the re-election of those Directors seeking to remain on the Board was in the best interests of shareholders and that accordingly resolutions regarding the same should be put to shareholders at the forthcoming AGM. Further detail can be found on pages 93 to 96.

**Shefaly Yogendra**
Chair of the Nomination Committee

20 March 2025

# Statement of Directors' Responsibilities

**Directors' responsibilities**
The Directors are responsible for preparing the Annual Report & Financial Statements in accordance with UK-adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the company financial statements in accordance with UK-adopted international accounting standards. 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 company and of the profit or loss for the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for, and confirm that to the best of their knowledge, the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

**Website publication**
The Directors are responsible for ensuring the Annual Report & Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Directors' responsibilities pursuant to DTR4**
The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

**Richard Wyatt**
Chairman

20 March 2025

# Independent Auditor’s Report to the Members of Temple Bar Investment Trust Plc

**Opinion on the financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Temple Bar Investment Trust Plc (the ‘Company’) for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

**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. Our audit opinion is consistent with the additional report to the audit committee.

**Independence**
Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors and subsequently by the shareholders on 30 March 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ended 31 December 2020 to 31 December 2024. We remain independent of the 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

**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. Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors’ method of assessing the going concern in light of market volatility and the present uncertainties in economic recovery created by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors’ assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the projected management fees for the year to check that it was in line with the current assets under management levels and the projected market growth forecasts for the following year;
- Assessing the appropriateness of the Directors’ assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments;
- Assessing the liquidity of the Company’s investments as a source to settle liabilities;
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors’ forecasts and our sensitivity analyses;
- Checking the accuracy of historical forecasting by agreeing to actual results.

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 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.

In relation to the Company’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

**Overview**

| | 2024 | 2023 |
|---|---|---|
| **Key audit matters** | | |
| Valuation and ownership of quoted investments | ✓ | ✓ |
| Revenue recognition – Dividend income | ✓ | ✓ |
| **Materiality** | | |
| Company financial statements as a whole | | |
| £8,160,000 (2023: £7,200,000) based on 1% (2023: 1%) of net assets | | |

**An overview of the scope of our audit**
Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

**Key audit matters**
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How the scope of our audit addressed the key audit matter |
|---|---|
| **Valuation and ownership of quoted investments**<br>*Note 12 – Investments*<br>The investment portfolio at the year-end comprised of quoted equity and debt investments.<br><br>There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company.<br><br>Therefore we considered the valuation and ownership of quoted equity and debt investments to be the most significant audit area as the quoted investments also represent the most significant balance in the financial statements and underpin the principal activity of the entity.<br><br>Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the financial statements.<br><br>For these reasons and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter. | We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted equity and debt investments. We performed the following procedures:<br>• Confirmed the year-end bid price was used by agreeing to externally quoted prices;<br>• Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings;<br>• Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and<br>• Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date.<br><br>**Key observations:**<br>Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity and debt investments was not appropriate. |
| **Revenue recognition – Dividend income**<br>*Note 4 – Income*<br>Income arises from dividends and interest and can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature.<br><br>Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends.<br><br>For this reason we considered revenue recognition to be a key audit matter. | We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event.<br><br>We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature.<br><br>In addition, we formed our own expectation of dividend income for 100% of the portfolio based on investment holdings and dividend announcements obtained from independent sources and compared this to dividend income recognised by the Company.<br><br>**Key observations:**<br>Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate. |

**Our application of materiality**
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

| | Company financial statements 2024 | Company financial statements 2023 |
|---|---|---|
| **Materiality** | £8,160,000 | £7,200,000 |
| **Basis for determining materiality** | 1% of Net Assets | 1% of Net Assets |
| **Rationale for the benchmark applied** | As an investment trust, the net asset value is the key measure of performance for users of the financial statements. | |
| **Performance materiality** | £6,120,000 | £5,400,000 |
| **Basis for determining performance materiality** | 75% of materiality | 75% of materiality |
| **Rationale for the percentage applied or performance materiality** | The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year. | |

**Specific materiality**
We also determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £1,760,000 (2023: £1,450,000), based on 5% of revenue return before tax (2023: 5% of revenue return before tax). We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

**Reporting threshold**
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £90,000 (2023: £70,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

**Other information**
The directors are responsible for the other information. The other information comprises the information included in the Annual Report and 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.

**Corporate governance statement**
The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

**Going concern and longer-term viability**
- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

**Other Code provisions**
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit and Risk Committee.

**Other Companies Act 2006 reporting**
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

**Strategic report and Directors' report**
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 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.

**Directors' remuneration**
In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

**Corporate governance statement**
In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information.

In our opinion, based on the work undertaken in the course of the audit information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.

**Matters on which we are required to report by exception**
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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited 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 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 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 Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust status.

**Fraud**
We assessed the susceptibility of the financial statement 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 Company'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; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls and the recognition of dividend income between revenue and capital.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above in relation to the classification of dividends between revenue and capital; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Peter Smith (Senior Statutory Auditor)**
For and on behalf of BDO LLP, Statutory Auditor
London, UK

20 March 2025

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

# Financial Report

# Statement of Comprehensive Income

| | | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Revenue £000 | Capital £000 | Total £000 | Revenue £000 | Capital £000 | Total £000 |
| Total Income | 4 | 38,981 | - | 38,981 | 32,422 | – | 32,422 |
| Profit on investments | 12 | - | 110,111 | 110,111 | – | 62,826 | 62,826 |
| Currency exchange loss | | - | (128) | (128) | – | (143) | (143) |
| **Total income** | | **38,981** | **109,983** | **148,964** | **32,422** | **62,683** | **95,105** |
| | | | | | | | |
| **Expenses** | | | | | | | |
| Portfolio management fees | 6 | (1,128) | (1,691) | (2,819) | (1,103) | (1,654) | (2,757) |
| Other expenses | 7 | (1,419) | (885) | (2,304) | (1,068) | (721) | (1,789) |
| **Profit before finance costs and tax** | | **36,434** | **107,407** | **143,841** | **30,251** | **60,308** | **90,559** |
| Finance costs | 8 | (1,123) | (1,684) | (2,807) | (1,123) | (1,685) | (2,808) |
| **Profit before tax** | | **35,311** | **105,723** | **141,034** | **29,128** | **58,623** | **87,751** |
| Tax | 9 | (1,488) | - | (1,488) | (926) | – | (926) |
| **Profit for the year** | | **33,823** | **105,723** | **139,546** | **28,202** | **58,623** | **86,825** |
| **Earnings per share** | **11** | **11.8p** | **36.8p** | **48.6p** | **9.3p** | **19.4p** | **28.7p** |

The total column of this statement represents the Statement of Comprehensive Income prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance issued by the AIC. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Company does not have any income or expense that is not included in profit for the year. Accordingly, the profit for the year is also the Total Comprehensive Income for the year, as defined in IAS1 (revised).

The notes on pages 77 to 91 form an integral part of the financial statements.

# Statement of Changes in Equity

| | Notes | Called-up share capital £'000 | Share premium account £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|
| **At 1 January 2023** | | **16,719** | **96,040** | **600,206** | **13,381** | **726,346** |
| | | | | | | |
| Total comprehensive income for the year | | - | - | 58,623 | 28,202 | 86,825 |
| Cost of shares bought back for treasury | | - | - | (63,535) | - | (63,535) |
| Dividends paid | 10 | - | - | - | (28,932) | (28,932) |
| **At 31 December 2023** | | **16,719** | **96,040** | **595,294** | **12,651** | **720,704** |
| | | | | | | |
| Total comprehensive income for the year | | - | - | 105,723 | 33,823 | 139,546 |
| Cost of shares bought back for treasury | | - | - | (12,708) | - | (12,708) |
| Dividends paid | 10 | - | - | - | (30,817) | (30,817) |
| **At 31 December 2024** | | **16,719** | **96,040** | **688,309** | **15,657** | **816,725** |

As at 31 December 2024, the Company had distributable revenue reserves of £15,657,000 (2023: £12,651,000) and distributable capital reserves of £688,309,000 (2023: £595,294,000) for the payment of future dividends. Only the revenue reserve and capital reserves are distributable.

The notes on pages 77 to 91 form an integral part of the financial statements.

# Statement of Financial Position

| | Notes | 31 December 2024 £'000 | 31 December 2024 £'000 | 31 December 2023 £'000 | 31 December 2023 £'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investments at fair value through profit or loss | 12 | | 880,603 | | 776,875 |
| | | | | | |
| **Current assets** | | | | | |
| Investments at fair value through profit or loss | 12 | 4,202 | | 13,713 | |
| Cash and cash equivalents | | 6,354 | | 4,275 | |
| Receivables | 13 | 2,059 | | 2,979 | |
| | | | **12,615** | | **20,967** |
| **Total assets** | | | **893,218** | | **797,842** |
| **Current liabilities** | | | | | |
| Payables | 14 | | (1,712) | | (2,394) |
| **Total assets less current liabilities** | | | **891,506** | | **795,448** |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Interest bearing borrowings | 15 | | (74,781) | | (74,744) |
| **Net assets** | | | **816,725** | | **720,704** |
| | | | | | |
| **Capital and reserves** | | | | | |
| Ordinary share capital | 16 | 16,719 | | 16,719 | |
| Share premium | | 96,040 | | 96,040 | |
| Capital reserves | | 688,309 | | 595,294 | |
| Revenue reserve | | 15,657 | | 12,651 | |
| **Total equity attributable to equity holders** | | | **816,725** | | **720,704** |
| **NAV per share** | 18 | | **286.2p** | | **248.0p** |
| **NAV per share with debt at fair value[1]** | 18 | | **291.1p** | | **252.2p** |

[1] Alternative Performance Measure – See glossary of terms beginning on page 99 for definition and more information.

The notes on pages 77 to 91 form an integral part of the financial statements.

The financial statements of Temple Bar Investment Trust Plc (registered number: 00214601) on pages 74 to 91 were approved by the Board of Directors and authorised for issue on 20 March 2025. They were signed on its behalf by:

**Richard Wyatt**
Chairman

# Statement of Cash Flows

| | Notes | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|---|
| | | **£'000** | **£'000** | **£'000** | **£'000** |
| **Cash flows from operating activities** | | | | | |
| Profit before tax | | | 141,034 | | 87,751 |
| | | | | | |
| Adjustments for: | | | | | |
| Gains on investments | | (110,111) | | (62,826) | |
| Finance costs | | 2,807 | | 2,808 | |
| Dividend income | 4 | (38,635) | | (32,278) | |
| Interest income | 4 | (346) | | (144) | |
| Dividends received | | 38,999 | | 32,037 | |
| Interest received | | 516 | | (97) | |
| Decrease in other receivables | | 407 | | 38 | |
| (Decrease)/increase in other payables | | (652) | | 584 | |
| Net overseas withholding tax paid | 9 | (1,488) | | (1,229) | |
| | | | **(108,503)** | | **(61,107)** |
| **Net cash flows from operating activities** | | | **32,531** | | **26,644** |
| | | | | | |
| Purchases of investments | | (108,442) | | (137,215) | |
| Sales of investments | | 124,317 | | 197,110 | |
| **Net cash flows from investing activities** | | | **15,875** | | **59,895** |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Equity dividends paid | 10 | (30,817) | | (28,932) | |
| Interest paid on borrowings | | (2,772) | | (2,773) | |
| Shares bought back for treasury | | (12,738) | | (63,799) | |
| **Net cash flows used in financing activities** | | | **(46,327)** | | **(95,504)** |
| | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | | **2,079** | | **(8,965)** |
| **Cash and cash equivalents at the start of the year** | | | **4,275** | | **13,240** |
| **Cash and cash equivalents at the end of the year** | | | **6,354** | | **4,275** |

The notes on pages 77 to 91 form an integral part of the financial statements.

# Notes to the Financial Statements

**General information**
Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on the business as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

**1. Principal Accounting Policies**
**Basis of accounting**
The financial statements have been prepared on a going concern basis, under the historical cost convention, modified by the valuation of investments at fair value, prepared in accordance with UK adopted international accounting standards.

The annual financial statements have also been prepared in accordance with the AIC SORP for investment trusts issued by the AIC in July 2022, except to any extent where it is not consistent with the requirements of IFRS. The principal accounting policies adopted by the Company are set out below.

All values are rounded to the nearest thousand pounds unless otherwise indicated.

**Going concern**
The Directors are required to make an assessment of the Company's ability to continue as a going concern and that the Company has adequate resources to continue in operational existence for 12 months from the date when these financial statements are approved.

In making this assessment, the Directors have considered a wide variety of emerging and current risks to the Company, as well as mitigation strategies that are in place. The Board has also reviewed stress-testing and scenario analyses prepared by the AIFM to assist it in assessing the impact of changes in market value and income with associated cash flows. In making this assessment, the AIFM has considered plausible downside scenarios.

These tests are carried out as an arithmetic exercise, which can apply equally to any set of circumstances in which asset value and income are significantly impaired. It was concluded that in a plausible downside scenario, the Company could continue to meet its liabilities. Whilst the economic future is uncertain, the opinion of the Directors is that no foreseeable downside scenario would be to a level which would threaten the Company's ability to continue to meet its liabilities as they fall due.

Based on the information available to the Directors at the time of this report, including the results of the stress tests and scenario analyses, and having taken account of the liquidity of the investment portfolio, the Company's cash flow and borrowing position (see notes 8 and 15 for further details on borrowings), the Directors are satisfied that the Company has adequate financial resources to continue in operation for 12 months from the date of signing of these financial statements and that, accordingly, it is appropriate to adopt the going concern basis.

**Presentation of Statement of Comprehensive Income**
In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

**Income**
Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the Statement of Comprehensive Income.

Interest income is recognised in line with coupon terms on a time-apportioned basis using the effective interest method. Special dividends are credited to capital or revenue according to their circumstances.

**Foreign currency**
The financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The primary objective of the Company is to generate returns in pounds sterling, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in sterling as the Company's performance is evaluated in that currency. Therefore, the Directors consider pounds sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are converted at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities as well as instruments carried at fair value are translated into pounds sterling at the exchange rate ruling on the year-end date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

**Expenses**
All expenses are accounted for on the accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except as follows:

- transaction costs which are incurred on the purchases or sales of investments designated as fair value through profit or loss are expensed to capital in the Statement of Comprehensive Income; and

- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, the investment management fee and finance costs have been allocated 40% to revenue and 60% to capital, in order to reflect the Directors' long-term view of the nature of the expected investment returns of the Company; this remains consistent with the prior year.

**1. Principal Accounting Policies continued**

**Taxation**

The tax expense represents the sum of the current tax expense. The tax currently payable is based on the taxable profit for the year. The 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 never taxable or deductible. The Company's liability for current tax is calculated using a blended rate as applicable throughout the year.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being entirely offset by expenses in the revenue column of the income statement, then no tax relief is transferred to the capital column.

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 balance sheet 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.

Deferred tax is calculated at the enacted tax rate that is expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue return of 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.

- Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

- Irrecoverable withholding tax is recognised on any overseas dividends on an accruals basis using the applicable rate for the country of origin.

**Financial instruments**

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are measured at fair value through profit or loss if their contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest and at amortised cost if they do. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. The Company will offset financial assets and financial liabilities if it has a legally enforceable right to offset the recognised amounts and interest and intends to settle on a net basis. A financial asset is derecognised when the right to receive cash flows from the asset expires or the rights to receive cash flows from the asset have been transferred and a financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

**Investments**

Equity investments are held at fair value through profit or loss as they fail the contractual cash flows test under IFRS 9. Debt instruments that pass the contractual cash flow test are held under a business model to manage them on a fair value basis for investment income and fair value gains and are therefore classified as fair value through profit or loss.

Upon initial recognition, investments are measured at fair value through profit or loss. Gains or losses on investments measured at fair value through profit or loss are included in net profit or loss as a capital item and transaction costs on acquisition or disposal of investments are expensed. For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the year-end date.

All purchases and sales of investments are recognised on the trade date, i.e. the date that the Company commits to purchase or sell an asset.

## 1. Principal Accounting Policies continued

### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

### Interest bearing borrowings

Interest bearing borrowings, being the debenture stock and loans issued by the Company, are initially recognised at a carrying value equivalent to the proceeds received net of issue costs associated with the borrowings. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

When calculating the NAV with debt at fair value the fair value of the private placement loans is determined using discounted cash flow techniques which utilise inputs including interest rates obtained from comparable loans in the market.

### Equity dividends payable

Equity dividends payable are recognised when the shareholders' right to receive payment is established. For interim dividends this is when they are paid and for final dividends this is when they are approved by shareholders.

### Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of asset on the Statement of Financial Position) comprise cash at bank and in hand, and deposits with an original maturity of three months or less.

The carrying value of these assets approximates their fair value.

### Reserves

The share capital represents the nominal value of the Company's ordinary shares.

The share premium account represents the excess over nominal value of the fair value of consideration received for the Company's ordinary shares, net of expenses of the share issue. This reserve cannot be distributed.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. Realised gains can be distributed, unrealised gains cannot be distributed.

The revenue reserve represents retained profits from the income derived from holding investment assets less the costs and interest on cash balances associated with running the Company. This reserve can be distributed.

## 2. Significant Accounting Judgements, Estimates and Assumptions

There are no significant judgements, estimates or assumptions involved in the presentation of the Company's accounts, other than the judgement on the functional and presentational currency of the Company as set out in the preceding note.

## 3. Adoption of New and Revised Standards New standards, interpretations and amendments adopted from 1 January 2024

There are no new standards impacting the Company that have had a significant effect on the annual financial statements for the year ended 31 December 2024.

### Standards issued but not yet effective

There are no standards or amendments not yet effective which are relevant or have a material impact on the Company.

| 4. Income | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| **Investment Income** | | | | | | |
| UK dividends | 24,718 | – | 24,718 | 23,085 | – | 23,085 |
| Overseas dividends | 13,917 | – | 13,917 | 9,193 | – | 9,193 |
| Interest from fixed-interest securities | 297 | – | 297 | 84 | – | 84 |
| | **38,932** | **–** | **38,932** | **32,362** | **–** | **32,362** |
| **Other income** | | | | | | |
| Deposit interest | 49 | | 49 | 60 | – | 60 |
| **Total income** | **38,981** | **–** | **38,981** | **32,422** | **–** | **32,422** |

During the year ended 31 December 2024, the Company received no special dividends (2023: £nil).

**5. Segmental Reporting**
The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

| 6. Portfolio Management Fee | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Portfolio management fee | 1,128 | 1,691 | 2,819 | 1,103 | 1,654 | 2,757 |
| | **1,128** | **1,691** | **2,819** | **1,103** | **1,654** | **2,757** |

Under the terms of the Portfolio Management Agreement, Redwheel is entitled to a management fee, details of which are set out in the Directors' Report on page 47. As at 31 December 2024, an amount of £ 728,000 (2023: £1,306,000) was payable to Redwheel in relation to the management fees.

## 7. Other Expenses

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Transaction costs on fair value through profit or loss assets[1] | – | 386 | 386 | – | 430 | 430 |
| Directors' fees (see Report on Directors' Remuneration beginning on page 55) | 152 | – | 152 | 181 | – | 181 |
| AIFM fee | 333 | 499 | 832 | 194 | 291 | 485 |
| Company Secretary fee | – | – | - | 69 | – | 69 |
| Registrar's fee | 159 | – | 159 | 60 | – | 60 |
| Marketing costs | 109 | – | 109 | 59 | – | 59 |
| Auditor's remuneration – annual audit[2] | 56 | – | 56 | 51 | – | 51 |
| Depositary fee | 96 | – | 96 | 92 | – | 92 |
| Other expenses | 514 | – | 514 | 362 | – | 362 |
| | **1,419** | **885** | **2,304** | **1,068** | **721** | **1,789** |

All expenses are inclusive of VAT where applicable.

[1] Transaction costs represent costs incurred on both the purchase and sale of investments. Transaction costs on purchases amounted to £349,000 (2023: £360,000) and on sales amounted to £37,000 (2023: £70,000).
[2] During the year audit fees of £46,500 (2023: £42,600) (excluding VAT) were due to the Auditor.

## 8. Finance Costs

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| 4.05% Private Placement Loan 2028 | 823 | 1,233 | 2,056 | 823 | 1,234 | 2,057 |
| 2.99% Private Placement Loan 2047 | 300 | 451 | 751 | 300 | 451 | 751 |
| **Total finance costs** | **1,123** | **1,684** | **2,807** | **1,123** | **1,685** | **2,808** |

The amortisation of the loan issue costs is calculated using the effective interest method.

## 9. Taxation

The Company has no corporation tax liability for the year ended 31 December 2024 (2023: nil).

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| **Analysis of charge for the year:** | | | | | | |
| Overseas withholding tax suffered | 1,488 | – | 1,488 | 926 | – | 926 |
| | **1,488** | **–** | **1,488** | **926** | **–** | **926** |

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| **Profit before taxation** | **35,311** | **105,723** | **141,034** | **29,128** | **58,623** | **87,751** |
| Tax at UK corporation tax rate of 25% (2023: 23.5%) | 8,828 | 26,430 | 35,258 | 6,845 | 13,776 | 20,621 |
| Tax effects of: | | | | | | |
| Non–taxable gains on investments[1] | – | (27,496) | (27,496) | – | (14,730) | (14,730) |
| Disallowed expenses | – | 96 | 96 | – | 101 | 101 |
| Non–taxable UK dividends | (6,180) | – | (6,180) | (5,425) | – | (5,425) |
| Overseas withholding tax suffered | 1,488 | – | 1,488 | 926 | – | 926 |
| Non–taxable overseas dividends | (3,479) | – | (3,479) | (2,161) | – | (2,161) |
| Excess management expenses | 831 | 970 | 1,801 | 741 | 853 | 1,594 |
| **Total tax charge for the year** | **1,488** | **–** | **1,488** | **926** | **–** | **926** |

[1] Investment trusts are not subject to corporation tax on these items.

No provision for deferred taxation has been made in the current year. The Company has not provided for deferred tax on capital profits arising on the revaluation of investments, as it is exempt from tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset on the excess management expenses of £137,227,000 (2023: £130,092,000). It is not anticipated that these excess expenses will be utilised in the foreseeable future.

| 10. Dividends | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Amounts recognised as distributions to equity holders in the year** | | |
| Fourth interim dividend for year ended 31 December 2023 of 2.5p (2023: fourth interim dividend for year ended 31 December 2022 of 2.5p) per share | 7,212 | 7,790 |
| Interim dividends for year ended 31 December 2024. One payment of 2.5p, one payment of 2.75p and one payment of 3.0p (2023: Two payments of 2.3p and one payment of 2.5p) per share | 23,605 | 21,142 |
| | **30,817** | **28,932** |
| Fourth interim dividend for the year ended 31 December 2024 of 3.0p (fourth interim dividend 2023: 2.5p) per share | 8,538 | 7,214 |

The fourth interim dividend is not included as a liability in these financial statements.

Therefore, also set out below is the total dividend payable in respect of these financial years, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Interim dividends (three) | 23,605 | 21,142 |
| Fourth interim dividend for year ended 31 December 2024 of 3.0p (2023: 2.5p) per share | 8,538 | 7,214 |
| | **32,143** | **28,356** |

| 11. Earnings per Share | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| **Basic and diluted** | | | | | | |
| Profit for the year (£000's) | 33,823 | 105,723 | 139,546 | 28,202 | 58,623 | 86,825 |
| Weighted average number of ordinary shares | | | 286,995,073 | | | 302,388,667 |
| **Earnings per ordinary share (pence)** | **11.8** | **36.8** | **48.6** | **9.3** | **19.4** | **28.7** |

| **12. Investments**<br>**(a) Investment portfolio summary** | **2024** | | | **2023** | | |
|---|---|---|---|---|---|---|
| | **Quoted equities £'000** | **Debt securities £'000** | **Total £'000** | **Quoted equities £'000** | **Debt securities £'000** | **Total £'000** |
| **Opening cost at the beginning of the year** | **733,313** | **13,652** | **746,965** | **734,594** | **5,172** | **739,766** |
| Opening unrealised appreciation/ (depreciation) at the beginning of the year | 43,562 | 61 | 43,623 | 47,869 | (2) | 47,867 |
| **Opening fair value at the beginning of the year** | **776,875** | **13,713** | **790,588** | **782,463** | **5,170** | **787,633** |
| Movements in the year: | | | | | | |
| Purchases at cost | 100,405 | 8,018 | 108,423 | 123,559 | 13,680 | 137,239 |
| Sales proceeds | (106,870) | (17,447) | (124,317) | (191,910) | (5,200) | (197,110) |
| Realised gain/(loss) on sale of investments | 38,114 | (20) | 38,094 | 67,070 | – | 67,070 |
| Change in unrealised appreciation/(depreciation) | 72,079 | (62) | 72,017 | (4,307) | 63 | (4,244) |
| **Closing fair value at the end of the year** | **880,603** | **4,202** | **884,805** | **776,875** | **13,713** | **790,588** |
| Closing cost at the end of the year | 764,962 | 4,203 | 769,165 | 733,313 | 13,652 | 746,965 |
| Closing unrealised appreciation/ (depreciation) at the end of the year | 115,641 | (1) | 115,640 | 43,562 | 61 | 43,623 |
| **Closing fair value at the end of the year** | **880,603** | **4,202** | **884,805** | **776,875** | **13,713** | **790,588** |

The Company received £124,317,000 (2023: £197,110,000) from investments sold in the year. The book cost of these investments when they were purchased was £86,223,000 (2023: £130,040,000 ). These investments have been revalued over time and until they were sold any gains/losses were included in the fair value of the investments.

**(b) Fair value of financial instruments**

IFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

- Level 1 – valued using quoted prices in active markets for identical investments.
- Level 2 – valued using other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc). There are no level 2 financial assets (2023: £nil).
- Level 3 – valued using significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments). There are no level 3 financial assets (2023: £nil).

All of the Company's investments are in quoted securities actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date and have therefore been determined as Level 1.

There were no transfers between levels in the year (2023: no transfers) and as such no reconciliation between levels has been presented.

## 13. Receivables

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Accrued income | 1,424 | 1,937 |
| Other receivables | 635 | 1,042 |
| | **2,059** | **2,979** |

Accrued income includes dividends and fixed-interest income.

## 14. Current Liabilities

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Accruals | 1,711 | 2,363 |
| Due to broker | 1 | 31 |
| | **1,712** | **2,394** |

Accruals include the interest payable on borrowings amount to £800,000 (2023: £802,000).

## 15. Borrowings

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **Interest bearing borrowings** | | |
| Amounts payable after more than one year: | | |
| 4.05% Private Placement Loan 2028[1] | 49,882 | 49,849 |
| 2.99% Private Placement Loan 2047[1] | 24,899 | 24,895 |
| **Total** | **74,781** | **74,744** |

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Opening balance as per the Statement of Financial Position | 74,744 | 74,707 |
| Interest movement | (2,770) | (2,771) |
| Finance costs for the year as per the Statement of Comprehensive Income | 2,807 | 2,808 |
| **Closing balance as per the Statement of Financial Position** | **74,781** | **74,744** |

The 4.05% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par, £50,000,000, on 3 September 2028.

The 2.99% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par, £25,000,000, on 24 October 2047.

See note 20 beginning on page 89, for the disclosure and fair value categorisation of the financial liabilities.

[1] The 4.05% and 2.99% Private Placement Loans contain the following principal financial or other covenants, with which failure to comply could necessitate the early repayment of the loan. These were all complied with during the current and previous year:

- net tangible assets of at least £275 million;
- aggregate principal amount of financial indebtedness not to exceed 50% of net tangible assets;
- prior approval by the note holder of any change of Portfolio Manager; and
- prior approval by the note holder of any change in the Company's investment objective and policy.

| 16. Ordinary Share Capital | 2024 Number of shares | 2023 Number of shares |
|---|---|---|
| **As at 1 January** | **290,612,881** | 317,822,386 |
| Purchase of shares into treasury | (5,217,257) | (27,209,505) |
| **As at year-end:** | | |
| **In circulation** | **285,395,624** | **290,612,881** |
| In Treasury | 48,968,201 | 43,750,944 |
| Listed | 334,363,825 | 334,363,825 |
| **Nominal Value of 5p ordinary shares (£'000)** | **16,719** | **16,719** |

During the year, the Company bought back ordinary shares at a cost of £12,708,000 (Year ended 31 December 2023: £63,535,000).

**17. Contingent Liabilities And Capital Commitments**
As at 31 December 2024, there were no contingent liabilities or capital commitments for the Company (2023: £nil).

**18. Net asset value ("NAV") per share**
The NAV per share is based on the net assets attributable to the equity shareholders of £816,725,000 (31 December 2023: £720,704,000) and 285,395,624 (31 December 2023: 290,612,881) shares being the number of shares in issue at the year-end.

The NAV per share with debt at fair value is based on the net assets attributable to the equity shareholders, adjusted for the difference between the debt at book value and fair value as shown in note 20 beginning on page 89, and the number of shares in issue at the year-end. Adjusting for debt at fair value resulted in an increase in net assets of £14,039,000 or 4.9p per share (31 December 2023: increase of £12,290,000 or 4.2p per share).

### 19. Related Party Transactions and Transactions with the Portfolio Manager

IAS 24 'Related party disclosures' requires the disclosure of material transactions between the Company and any related parties. Accordingly, the disclosures required are set out below:

**Directors** – The remuneration of the Directors is set out in the Report on Directors' Remuneration on pages 55 and 56. There were no contracts existing during or at the end of the year in which a Director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other material transactions during the year with the Directors of the Company. See page 56 for details of Directors' shareholdings.

At 31 December 2024, there was £nil (2023: £nil) payable to the Directors for fees and expenses.

**AIFM and Portfolio Manager** – Frostrow Capital LLP was appointed the AIFM of the Company on 1 July 2023, and has delegated portfolio management to Redwheel, who are deemed to be Key Management Personnel for the purposes of disclosing related party information under IAS24. Details of the services provided by the Portfolio Manager are given on page 47 and their fees for the year, along with outstanding balances to them, are set out in note 6.

### 20. Risk Management and Financial Instruments

The Company's investing activities undertaken in pursuit of its investment objective, as set out on page 2, involve certain inherent risks. The main financial risks arising from the Company's financial instruments are market price risk, interest rate risk, liquidity risk, credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks as summarised below. The Board has also established a series of investment parameters, which are reviewed annually, designed to limit the risk inherent in managing a portfolio of investments. These policies have remained substantially unchanged during the current and preceding periods. The Board meets on four scheduled occasions in each year and at each meeting it receives sufficient financial and statistical information to enable it to monitor adequately the investment performance and status of the business.

#### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's borrowings have the effect of increasing the market risk faced by shareholders.

#### Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments or interest income cash flows that arise as a result of fluctuations in interest rates. The Company finances its operations through retained profits including capital profits, and additional financing is obtained through the two Private Placement Loans, on both of which interest is paid at a fixed rate and therefore subject to fair value interest rate risk.

#### Cash flow interest rate risk

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The Company's fixed-interest holdings have a market value of £4,202,000, representing 0.51% of net assets (2023: £13,713,000; 1.9%). The weighted average running yield as at 31 December 2024 was 5.0% (2023: 5.0%) and the weighted average remaining life was 0.5 years (2023: 1.6 years). The Company's cash balance of £6,354,000 (2023: £4,275,000) earns interest, calculated on a tiered basis, depending on the balance held, by reference to the base rate. Cashflow interest rate risk is not considered a significant risk to the Company.

#### Fair value interest rate risk

The 4.05% Private Placement Loan and the 2.99% Private Placement Loan, which are repayable in 2028 and 2047 respectively, pay interest at fixed rates. The weighted average period until maturity of the loans is 10 years (2023: 11 years) and the weighted average interest rate payable is 3.7% (2023: 3.7%) per annum. The fair value of the loans will vary with changes in interest rates. As interest rates increase the fair value of the loan liability is expected to decrease, while when interest rates decrease the fair value of the loan liability is expected to increase.

#### Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of cash balances and short-term bank deposits.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is mitigated by the Portfolio Manager reviewing the credit ratings of broker counterparties. The Company's Custodian is responsible for the collection of income on behalf of the Company. Cash is held either with reputable banks with high quality external credit ratings or in liquidity/cash funds providing a spread of exposures to various underlying banks in order to diversify risk. The carrying amounts of financial assets represent their maximum exposure to credit risk at the Statement of Financial Position date, and the main exposure to credit risk is via the Custodian which is responsible for the safeguarding of the Company's investments and cash balances. The full portfolio can be found on pages 24 and 25. The debt security held at the year-end has a credit rating of AA (2023: AA).

#### Currency risk

The income and capital value of the Company's investments and liabilities can be affected by exchange rate movements as some of the Company's assets and income are denominated in currencies other than Pounds Sterling, which is the Company's reporting currency. The Company does not currently hedge its currency exposure. The key areas where foreign currency risk could have an impact on the Company are:

- movements in rates that would affect the value of investments; and
- movements in rates that would affect the income received.

The Company had the following currency exposures, all of which are included in the Statement of Financial Position based on the exchange rates ruling at the respective year ends. Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Company arising out of the investment and risk-management processes.

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Investments £'000 | Cash £'000 | Receivables £'000 | Payables £'000 | Borrowings £'000 | Total £'000 |
| Euro | 118,002 | – | – | – | – | 118,002 |
| US Dollar | 43,033 | – | 200 | – | – | 43,233 |
| Canadian Dollar | 8,587 | – | – | – | – | 8,587 |
| Hong Kong Dollar | 10,554 | – | – | – | – | 10,554 |
| Japanese Yen | 13,992 | – | – | – | – | 13,992 |
| Pounds Sterling | 690,637 | 6,354 | 1,859 | (1,712) | (74,781) | 622,357 |
| | **884,805** | **6,354** | **2,059** | **(1,712)** | **(74,781)** | **816,725** |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Investments £'000 | Cash £'000 | Receivables £'000 | Payables £'000 | Borrowings £'000 | Total £'000 |
| Euro | 114,111 | – | – | – | – | **114,111** |
| US Dollar | 55,052 | – | 189 | – | – | **55,241** |
| Canadian Dollar | 9,892 | – | – | – | – | **9,892** |
| Hong Kong Dollar | 10,394 | – | – | – | – | **10,394** |
| Japanese Yen | 14,609 | – | – | – | – | **14,609** |
| Pounds Sterling | 586,530 | 4,275 | 2,790 | (2,394) | (74,744) | **516,457** |
| | **790,588** | **4,275** | **2,979** | **(2,394)** | **(74,744)** | **720,704** |

| **Foreign currency sensitivity** | 2024 | | 2023 | |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| **Projected movement** | **+10%** | **-10%** | **+10%** | **-10%** |
| Effect on net assets for the year | (17,851) | 21,374 | (18,568) | 22,694 |

## 20. Risk Management and Financial Instruments continued

**Other price risk exposure**

If the investment valuation fell by 20% at 31 December 2024, the impact on the profit or loss and net assets would have been negative £177.0 million (2023: 20% negative £158.1million). If the investment portfolio valuation rose by 20% at 31 December 2024, the impact on the profit or loss and net assets would have been positive £177.0 million (2023: 20% positive £158.1 million). The calculations are based on the portfolio valuation as at the respective year-end dates.

The Company held the following categories of financial instruments, all of which are included in the Statement of Financial Position at fair value or amortised cost which is an approximation of fair value, with the exception of interest-bearing borrowings which are shown at amortised cost at 31 December.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Amortised cost £'000** | **Fair value £'000** | **Amortised cost £'000** | **Fair value £'000** |
| **Assets at fair value through profit or loss** | 884,805 | 884,805 | 790,588 | 790,588 |
| **Cash** | 6,354 | 6,354 | 4,275 | 4,275 |
| **Receivables and Payables** | | | | |
| Investment income receivable | 1,424 | 1,424 | 1,937 | 1,937 |
| Other receivables | 635 | 635 | 1,042 | 1,042 |
| Payables | (1,712) | (1,712) | (2,394) | (2,394) |
| **Interest- bearing borrowings:** | | | | |
| 4.05% Private Placement Loan | (49,882) | (46,830) | (49,849) | (47,291) |
| 2.99% Private Placement Loan | (24,899) | (13,912) | (24,895) | (15,163) |
| | **816,725** | **830,764** | **720,704** | **732,994** |

The 4.05% Private Placement Loan 2028 and the 2.99% Private Placement Loan 2047 do not have prices quoted on an active market, however their fair values have been calculated using observable inputs. As such they have been classified as Level 2 instruments (2023: Level 2).

**Liquidity risk exposure**
This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Contractual maturities of the financial liabilities at the year-end, including future interest payments not yet accrued for, based on the earliest date on which payment can be required, are as follows:

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Three months or less £'000 | Not more than one year £'000 | Two years £'000 | Three years £'000 | More than three years £'000 | Total £'000 |
| Loan Interest due | 1,012 | 1,760 | 2,772 | 2,772 | 16,975 | **25,291** |
| Loan principle | – | – | – | – | 75,000 | **75,000** |
| Accruals | 912 | – | – | – | – | **912** |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Three months or less £'000 | Not more than one year £'000 | Two years £'000 | Three years £'000 | More than three years £'000 | Total £'000 |
| Loan Interest due | 1,012 | 1,760 | 2,772 | 2,772 | 19,748 | **28,064** |
| Loan principle | – | – | – | – | 75,000 | **75,000** |
| Accruals | 1,452 | 140 | – | – | – | **1,592** |

**Capital management policies and procedures**
The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to provide long-term growth in revenue and capital, principally by investment in UK securities. There have been no changes in the Company's objectives, policies and processes for managing capital from the prior year.

The Company's capital is its equity share capital and reserves that are shown in the Statement of Financial Position and fixed-term loans (see note 15) at a gross total of £891,506,000 (2023: £795,488,000).

The Company is subject to several externally imposed capital requirements:

- as a public Company, the Company has a minimum share capital of £50,000;
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law; and
- the Note Purchase Agreements governing the terms of the Private Placement Loans also contain certain financial covenants as set out in note 8. These are measured in accordance with the policies used in the Annual Report & Financial Statements.

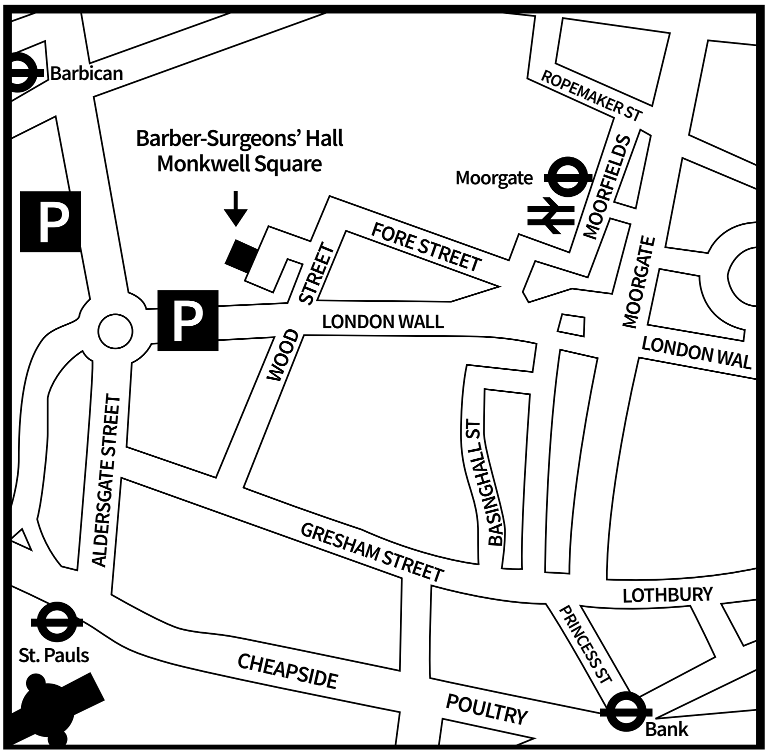
The Company has complied with all of the above requirements during the current and prior year.

**21. Post Balance Sheet Events**
Subsequent to the year-end and up to 19 March 2025, the Company bought back 791,246 ordinary shares for treasury, at a total cost of £2,161,000, representing 0.3% of the issued share capital as at 31 December 2024.

On 11 February 2025, the Board approved a fourth interim dividend for the year ended 31 December 2024, of 3.0p per ordinary share payable on 2 April 2025.

# Shareholder Information

# Notice of Annual General Meeting




**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**
If you are in any doubt as to the action you take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your ordinary shares in Temple Bar Investment Trust Plc, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the 99th Annual General Meeting ("AGM") of Temple Bar Investment Trust Plc will be held at Barber-Surgeons' Hall, Monkwell Square, Wood Street, Barbican, London EC2Y 5BL on Tuesday, 6 May 2025 at 11.30 am for the purpose of considering and, if thought fit, passing the resolutions below.

**ORDINARY RESOLUTIONS**

1. To approve the Company's Annual Report & Financial Statements for the year ended 31 December 2024 (together with the reports of the Directors and Auditor therein).
2. To approve the Report on Directors' Remuneration for the year ended 31 December 2024.
3. To re-elect Mrs Carolyn Sims as a Director of the Company.
4. To re-elect Mr Charles Cade as a Director of the Company.
5. To re-elect Mr Richard Wyatt as a Director of the Company.
6. To re-elect Dr Shefaly Yogendra as a Director of the Company.
7. To re-appoint BDO LLP as the Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next meeting at which financial statements are laid before the Company.
8. To authorise the Audit and Risk Committee to determine the remuneration of the Auditor.
9. To approve the Company's dividend policy, authorising the Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval. Also, that the Company's dividend policy be amended so that the interim dividends that the Company pays are enhanced by the distribution of approximately 3.0p per ordinary share per annum to be sourced from the Company's distributable capital reserves.
10. That, in substitution of all existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Companies Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ('Rights') up to an aggregate maximum nominal amount of £1,423,021, being 10% of the issued share capital of the Company as at 19 March 2025 and representing 28,460,437 ordinary shares in the capital of the Company (or if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such authority to expire at the conclusion of the AGM of the Company to be held in 2026 (unless previously renewed, varied, revoked or extended by the Company in general meeting), save that the Company may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted after such expiry, and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

**SPECIAL RESOLUTIONS**

11. That, subject to the passing of resolution 10 set out above, the Directors be and they are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act to allot equity securities (as defined in Section 560 of the Companies Act) for cash, including for the avoidance of doubt, the sale of shares held by the Company as treasury shares, in accordance with the authority conferred on the Directors by resolution 10, as if Section 561 of the Companies Act did not apply to the allotment or sale, up to an aggregate nominal amount of £1,423,021 (being 10% of the issued ordinary share capital of the Company at 19 March 2025), (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such power to expire at the conclusion of the AGM of the Company to be held in 2026 (unless previously renewed, varied, revoked or extended by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell ordinary shares from treasury in pursuance of such an offer or agreement as if such power had not expired.

12. That, the Company generally be and is hereby authorised for the purpose of Section 701 of the Companies Act to make market purchases (as defined in Section 693 of the Companies Act) of its ordinary shares in issue, either for retention as treasury shares for future reissue, resale, transfer or cancellation provided that:

    i) the maximum number of ordinary shares hereby authorised to be purchased is 14.99% of the issued share capital of the Company as at the date of the passing of this resolution;

    ii) the minimum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares is the nominal value per share;

    iii) the maximum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares shall be the higher of:

        i) an amount equal to 105% of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary shares are purchased; and

        ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

    This authority shall expire at the conclusion of the AGM of the Company to be held in 2026 (unless previously revoked, varied, renewed or extended by the Company in general meeting) save that the Company may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

13. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board
**Frostrow Capital LLP**

20 March 2025

Registered Office:
25 Southampton
Buildings
London
WC2A 1AL

## NOTES

### 1. Entitlement to attend and vote

Members who hold ordinary shares in the Company in uncertificated form must have been entered on the Company's register of members by 6.30pm on Thursday, 1 May 2025 in order to be able to attend and vote at the meeting, or if the meeting is adjourned, 6.30pm on the day two business days before the time fixed for the adjourned meeting. Such members may only vote at the meeting in respect of ordinary shares held at the time.

### 2. Proxies

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend the meeting to speak and vote on a show of hands and, on a poll, to vote instead of them. A proxy need not be a member of the Company. A member wishing to appoint more than one proxy must appoint each proxy in respect of a specified number of shares within their holding. For this purpose, a member may photocopy the enclosed form of proxy before completion and must indicate the number of shares in respect of which each proxy is appointed.

Instruments of proxy should be sent to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 11.30 am on Thursday, 1 May 2025. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting should they wish to do so.

It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com). The CREST message must be transmitted so as to be received by the issuer's agent (ID RA19) by not later than 48 hours (excluding non-working days) before the time appointed for the holding of the meeting or the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST message by the CREST Applications Host) from which the issuer's agent is able to retrieve the CREST message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member(s) is/are a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

### 3. Proxymity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.30 am on Thursday, 1 May 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

### 4. Corporate representatives

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

**5. Nominated persons**

In accordance with Section 325 of the Companies Act, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act. Persons nominated to receive information rights under Section 146 of the Companies Act who have been sent a copy of this Notice are hereby informed, in accordance with Section 149 (2) of the Companies Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

**6. Joint holders**

In the case of joint holders, the signature of only one of the joint holders is required on the proxy form and, where more than one joint holder has signed the proxy form or where more than one joint holder purports to appoint a proxy, only the signature of, or the appointment submitted by the most senior holder will be accepted to the exclusion of the other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

**7. Members' requests under Section 527 of the Companies Act**

Under Section 527 of the Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM for the financial year ended 31 December 2024; or (ii) any circumstance connected with an Auditor of the Company appointed for the financial year ended 31 December 2024 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act. Where the Company is required to place a statement on a website under Section 527 of the Companies Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act to publish on a website.

**8. Members' rights to ask questions**

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**9. Members' rights under Sections 338 and 338A of the Companies Act**

Shareholders meeting the threshold under Sections 338 and 338A of the Companies Act can instruct the Company: (i) to give shareholders (entitled to receive notice of the AGM) notice of a resolution which may properly be proposed and is intended to be proposed at the AGM; and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be proposed or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective; (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 25 March 2025, being the date six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

**10. Total number of shares and voting rights**

As at 19 March 2025, the latest practicable date prior to publication of this Notice, the Company had 334,363,825 ordinary shares in issue, with a total of 284,604,378 voting rights. 49,759,447 shares were held in treasury.

**11. Website**

In accordance with Section 311A of the Companies Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at: www.templebarinvestments.co.uk.

**12. Documents available for inspection**

Copies of letters of appointment between the Company and the Non-Executive Directors may be inspected during usual business hours on any weekday (public holidays excepted) at the registered office of the Company from the date of this Notice until the date of the AGM and at the place of the Meeting from 11.15 am until the Meeting's conclusion. Any shareholders wishing to inspect the documents are requested to contact the Company Secretary by email at cosec@frostrow.com in advance of any visit to ensure that appropriate arrangements can be made and access can be arranged.

# Useful Information for Shareholders

**Annual General Meeting**
**6 May 2025**

**Dividend Dates**
**2 April 2025**
Payment of fourth interim dividend year ended 31 December 2024

**27 June 2025**
Payment of first interim dividend year ending 31 December 2025

**26 September 2025**
Payment of second interim dividend year ending 31 December 2025

**31 December 2025**
Payment of third interim dividend year ending 31 December 2025

**Payment of Dividends**
Cash dividends will be sent by cheque to the first-named shareholder on the Register at his or her registered address together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System ('BACS'). This may be arranged by contacting the Company's Registrar on 0371 384 2432.

**Price and Performance Information**
The Company's ordinary shares are traded on the London Stock Exchange. The market price of the ordinary shares is shown daily in the Financial Times, other leading newspapers and on the Company's website.

**Share Register Enquiries**
The Company's Registrar, Equiniti, maintains the share register. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2432. Lines are open from 8.30am to 5.30pm Monday to Friday. Changes of name or address must be notified in writing to the Registrar.

**Tax Information Exchange**
Local laws may require Temple Bar to disclose investor holding and income data to UK and other tax authorities. This will only happen where required by law.

**AIC**
The Company is a member of the AIC, which produces monthly publications of detailed information on the majority of investment trusts.

**Temple Bar Website**
The Company's website can be found at www.templebarinvestments.co.uk and includes useful background information on the Company, together with helpful downloads of published documentation such as previous annual and half-yearly reports.

**Where to Buy Temple Bar Shares**

**1. Via a third-party provider**
Third party providers include:

| | |
|---|---|
| AJ Bell Youinvest | http://www.youinvest.co.uk/ |
| Barclays Smart Investor | https://www.smartinvestor.barclays.co.uk/ |
| Bestinvest | https://www.bestinvest.co.uk/ |
| Charles Stanley Direct | https://www.charles-stanley-direct.co.uk/ |
| Halifax Share Dealing | https://www.halifaxsharedealing-online.co.uk/ |
| Hargreaves Lansdown | http://www.hl.co.uk/ |
| HSBC | https://www.hsbc.co.uk/investments/ |
| iDealing | http://www.idealing.com/ |
| Interactive Investor | http://www.ii.co.uk/ |
| IWEB | http://www.iweb-sharedealing.co.uk/share-dealing-home.asp |

Please note this list is not exhaustive and the availability of Temple Bar may vary depending on the provider. These websites are third-party sites and Temple Bar does not endorse or recommend any. Please consult each site's privacy and cookie policies as well as their platform charges structure.

The Board encourages all shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to continue to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the AIC's website at www.theaic.co.uk/aic/shareholder-votingconsumer- platforms for information on which platforms support these services and how to utilise them.

**2. Through a professional adviser**
Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at www.unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the FCA adviser charging and commission rules, visit www.fca.org.uk.

# Corporate Information

**Directors**
Richard Wyatt – Chairman
Charles Cade – Senior Independent Director
Carolyn Sims – Chair of the Audit and Risk Committee
Shefaly Yogendra – Chair of the Management Engagement and Nomination Committees

**Registered Office**
25 Southampton Buildings
London WC2A 1AL

**Company Registration Number**
00214601 (Registered in England)

**Website**
www.templebarinvestments.co.uk

**SCAN ME**

**Portfolio Manager**
RWC Asset Management LLP
Verde 4th Floor
10 Bressenden Place
London SW1E 5DH
Telephone: 0207 227 6000
Website: www.redwheel.com

Authorised and regulated by the Financial Conduct Authority.

**AIFM, Administrator and Company Secretary**
Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910
Email: info@frostrow.com
Website: www.frostrow.com

Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company, please contact Frostrow using the above email address.

**Temple Bar Identifiers**
ISIN (ordinary shares) – GB00BMV92D64
SEDOL (ordinary shares) – BMV92D6
Legal Entity Identifier – 213800O8EAP4SG5JD323
Bloomberg: TMPL: LN

**Registered number**
Registered in England Number 00214601

**Depositary, Bankers and Custodian**
The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

**Stockbroker**
Cavendish Securities plc
6.7.8 Tokenhouse Yard
London EC2R 7AS

**Solicitor**
Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

**Independent Auditor**
BDO LLP
55 Baker Street
London W1U 7EU

**Registrar**
Equiniti Limited
Highdown House
Yeoman Way
Worthing
West Sussex BN99 3HH

Shareholder Helpline: +44 (0) 371 384 2432*
Website: www.equiniti.com

For deaf and speech impaired customers, we welcome calls via Relay UK. Please see www.relayuk.bt.com for more information.

* Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting your shareholder reference number.

Registered shareholders can obtain further details of their holdings on the internet by visiting www.shareview.co.uk

# Glossary of Terms

**Discount or Premium of share price to NAV per share***
A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

**Fixed Interest**
Fixed-interest securities, also known as bonds, are loans usually taken out by a government or company which normally pay a fixed rate of interest over a given time period, at the end of which the loan is repaid.

**FTSE All-Share Index**
A comparative index that tracks the market price of the UK's leading companies listed on the London Stock Exchange. Covering around 600 companies, including investment trusts, the name FTSE is taken from the Financial Times and the London Stock Exchange, who are its joint owners.

**FTSE 350 Index**
A comparative index that tracks the market price of the UK's 350 largest companies, by market value, listed on the London Stock Exchange.

**Gilts**
A bond that is issued by the British government which is generally considered low risk.

**Gross Gearing**
Total assets divided by shareholders funds expressed as a percentage.

**Liquidity**
The ease with which an asset can be purchased or sold at a reasonable price for cash.

**Market Capitalisation**
The total value of a company's equity, calculated by the number of shares multiplied by their market price.

**NAV ('Net Asset Value') per Share**
The value of total assets less liabilities, with debenture and loan stocks at book value. Book value is the amount borrowed less the current loan arrangement fee debtor still to be expensed. The NAV per share is calculated by dividing this amount by the number of ordinary shares outstanding.

**NAV per Share with debt at fair value***
The value of total assets less liabilities, with the loans at fair value. The NAV per share with debt at fair value is calculated by dividing this amount by the number of ordinary shares outstanding.

**Net asset value (NAV) per share total return with debt at fair value***
The theoretical total return on shareholders' funds per share, reflecting the change in NAV with debt at fair value assuming that dividends paid to shareholders were reinvested at NAV with debt at fair value at the time the shares were quoted ex-dividend. A way of measuring performance which is not affected by movements in discounts/premiums.

| | **Year to 31 December 2024 (p)** | **Year to 31 December 2023 (p)** |
|---|---|---|
| Opening NAV with debt at fair value | 252.2 | 233.5 |
| Increase /(decrease) in NAV | 49.0 | 29.1 |
| Less dividends paid | (10.75) | (9.60) |
| Adjustment for movement in fair value of debt | 0.7 | (0.8) |
| **Closing NAV with debt at fair value** | **291.1** | **252.2** |
| % increase in NAV with debt at fair value | 19.7% | 12.1% |
| Impact of reinvesting dividends | 0.2% | 0.2% |
| **NAV total return with debt at fair value** | **19.9%** | **12.3%** |

**Net Gearing**
Total assets (less cash and cash equivalents) divided by shareholders' funds expressed as a percentage.

**Ongoing Charges***
Ongoing charges are calculated on an annualised basis. This figure excludes any portfolio transaction costs and may vary from period to period. The calculation below is in line with AIC guidelines.

| | | **Year to 31 December 2024 (p)** | **Year to 31 December 2023 (p)** |
|---|---|---|---|
| Investment management fee | | 2,819 | 2,757 |
| Other expenses (excluding transaction costs) | | 1,918 | 1,359 |
| Less: one off legal and professional fees | | - | (21) |
| **Total** | (a) | **4,737** | **4,095** |
| Average cum income net asset value throughout the period | (b) | 780,321 | 731,023 |
| **Ongoing charges (c=a/b)** | (c) | **0.61%** | **0.56%** |

* Alternative Performance Measure.

**Portfolio Turnover**
The portfolio turnover rate measures the Company's trading activity. It is calculated by taking the lower of investment purchases and sales and dividing by the average gross asset value (net assets with debt added back) of the Company. It is expressed as a % and the lower the % the lower the turnover. For example a turnover rate of 25% would suggest that the fund holds stocks for four years on average, while a 50% turnover rate would suggest a two year holding period.

Transactions in gilts are excluded from the investment purchases and sales for the purposes of calculating the turnover rate.

**Share Price Total Return***
Return to the investor on mid-market prices assuming that all dividends paid were reinvested at the share price at the time the shares were quoted ex-dividend.

| | Year to 31 December 2024 (p) | Year to 31 December 2023 (p) |
|---|---|---|
| Opening share price | 238.0 | 220.5 |
| Increase in share price | 44.8 | 27.1 |
| Less: dividends paid | (10.75) | (9.60) |
| **Closing share price** | **272.0** | **238.0** |
| **% increase in share price** | **18.8%** | **12.3%** |
| Impact of reinvesting dividends | 0.3% | 0.2% |
| **Share price total return** | **19.1%** | **12.5%** |

**Value Investing**
An investment strategy that aims to identify undervalued yet good quality companies with strong cash flows and robust balance sheets, putting an emphasis on financial strength.

**Dividend Yield***
A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share.

* Alternative Performance Measure.

**Temple Bar Investment Trust Plc**

**Registered Office**
25 Southampton Buildings
London
WC2A 1AL

www.templebarinvestments.co.uk

A member of the Association of Investment Companies

**Portfolio Manager**
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www.redwheel.com