

## **Section 172 Statement**

In line with their duties as set out in s172 of the Companies Act 2006, the Board of Directors act in a way they consider would be most likely to promote the long term success of the Company for the benefit of its members as a whole, whilst also having regard when making decisions to the views and interests of wider stakeholders, including the impact of its activities on the community, the environment, and the Company's reputation for good business conduct. The goal of the Company is to provide financial returns to the shareholders over the long term. In this respect the Board of Directors at all times have due consideration to the potential effect of investment decisions and the benefit decisions may bring to the shareholders, this includes decisions about the re-investment of funds into new investments, divesting of interests in investments, and decisions regarding the payment of dividends.

During the financial year, the Board has continued to review decisions on potential new investments within the scope with potential to bring long term benefit to the Company, including those investments made within treasury operations. With the ongoing effects of Covid-19 being felt worldwide, the Board continues to pay particular attention to the fluctuations of the stock markets, as well as the current cash reserve and borrowing facilities, to ascertain if any further investment would be to the benefit of the Company and the shareholders in the long term. This includes considering the current stability and reputation as well as previous performances of any new investments to ascertain their potential long-term viability.

Key investment decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors, this includes the Board taking into account the consequences of any such decisions that could affect the long term prosperity of the Company. In addition, the Board assess the merit of new investments to ensure they can continue maintaining a reputation for high standards in the conduct of business.

Within the financial year key decisions have included investing in a portfolio of shares in blue-chip companies mainly based in the U.K., USA and Europe. In making this decision the Board considered the impact of investing funds into such a portfolio, the likely income that would be received from the portfolio through dividends and profits on sale and how these would benefit the shareholders as a whole. This decision has led to the receipt of dividends through the treasury portfolio (with the received amount expected to grow with companies returning to the payment of dividends), which in turn helps the Company's liquidity and in the long-term will assist the Company to return to the payments of dividends and therefore benefit the shareholders as a whole. Another key decision was the sale of the Company's entire shareholding in Brand Architekts Plc. In making this decision the Board considered the impact the sale would have on the Company and the shareholders including the benefit of using the funds from the sale to invest into the general portfolio. This decision led to an increase in cash held by the Company which in turn was re-invested in the treasury portfolio.

With regards to wider stakeholders, the Board of Directors consider the underlying core holdings in which the Company has invested as well as advisors and suppliers amongst the key stakeholders of the Company. In this respect the Board of Directors engage with these stakeholders on a frequent basis in order to build and strengthen such relationships. The Company is an active investor in the Core Holdings and engages with the boards of these companies, including attending year end and interim results presentations, to ensure they have up to date information regarding their operations and performance. The Company also seeks out and receives updates from advisors on changes of regulations as well as changes to the Aquis Growth Market rules. It is noted that, due to the nature of the Company, it does not have executives, employees or operations to consider as stakeholders as further referenced in the Corporate Governance Statement.

The views of and impact upon the wider stakeholders of the Company are considered as part of the board decision process including engaging with stakeholders to ensure they have a clear understanding of the long term goals of the Company and how the Board of Directors intend to achieve these goals.

The Board of Directors are committed to upholding the highest standard of corporate governance within the Company and to ensure that they maintain a high level of knowledge and understanding of governance requirements to be implemented by the Company. The Section 172 statement and the duties it covers will be reviewed by the board on an on-going basis so changes can be implemented if required.

The Directors' Report and Corporate Governance report contain further details as to how the Board of Directors undertake their decisions with regards to s172 of the Companies Act 2006 and the effect on the decision making of the Board.