Secured Income Fund plc

(Registered number 09682883)

Annual Report and Financial Statements

For the year ended 30 June 2024

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Strategic Report

Key Points

	30 June 2024	30 June 2023
Net assets [1]	£5,005,000	£9,740,000
NAV per Ordinary Share [2]	9.51p	18.50p
Share price	n/a	12.50p
Discount to NAV	n/a	(32.4)%
Profit for the year	£399,000	£799,000
Dividend per share declared in respect of the year	nil	nil
B Share issue and redemption per Ordinary Share declared in respect of the year	3.75p	9.00p
Total return per Ordinary Share (based on NAV) [3]	4.1%	7.3%
Total return per Ordinary Share (based on share price) [3]	n/a	35.4%
Ordinary Shares in issue	52,660,350	52,660,350

[1] In addition to the Ordinary Shares in issue, 1 Management Share of £1 is in issue (2023: 1) (see note 19).

[2] Please see note 21 for a reconciliation of the NAV per Ordinary Share of 9.51p to the original NAV per Ordinary Share of 9.32p announced on the Company's website.

[3] Total return per Ordinary Share has been calculated by comparing the NAV or share price, as applicable, at the start of the year with the NAV or share price, as applicable, plus dividends and B Share redemptions paid, at the year end.

Strategic Report

Overview and Investment Strategy

General information

Secured Income Fund plc (the "Company", "Fund" or "SIF") was incorporated in England and Wales under the Companies Act 2006 on 13 July 2015 with registered number 09682883. It is an investment company, as defined in s833 of the Companies Act 2006. Its shares were admitted to trading on the London Stock Exchange Specialist Fund Segment on 23 September 2015 ("Admission") and delisted with effect from 4 August 2023.

Investment objective and policy

The Company is managed with the intention of realising all remaining assets in the Portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner.

The Company pursues its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This process might include sales of individual assets, mainly structured as loans, or running off the Portfolio in accordance with the existing terms of the assets, or a combination of both.

As part of the realisation process, the Company may also exchange existing debt instruments for equity securities where, in the opinion of the Board, the Company is unlikely to be able to otherwise realise such debt instruments or will only be able to realise them at a material discount to the outstanding principal balance of that debt instrument.

The Company has ceased to make any new investments or to undertake capital expenditure except where in the opinion of the Board:

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders is held by the Company as cash on deposit and/or as cash equivalents.

The Company will not undertake new borrowing.

Any material change to the investment policy would require Shareholder approval.

Strategic Report

Chairman's Statement

Introduction

I am pleased to provide Shareholders with my Chairman's Statement, covering the financial year from 1 July 2023 to 30 June 2024. Secured Income Fund plc (the "Company") has continued to focus on returning capital to Shareholders efficiently and in a timely manner. The Company has maintained regular distributions to Shareholders, since the wind down proposals were adopted on 17 September 2020, and has returned £29.5 million (equivalent to 56p per Ordinary Share) through a combination of dividends and a B Share Scheme.

Performance

For the reporting year ended 30 June 2024, the Company generated a net profit of £0.4 million and earnings per Ordinary Share of 0.76p (compared to a net profit of £0.8 million and earnings per Ordinary Share of 1.52p for the year ended 30 June 2023).

The Company's NAV at 30 June 2024 was £5.0 million (9.51p (cum income) per Ordinary Share) compared to £9.7 million (18.50p per Ordinary Share) as at 30 June 2023. The change in the NAV relates to the £5.1 million B Share distribution, with the balance being attributable to the net profit of £0.4 million.

The portfolio of the SME loan company is in run off and has continued to make varying capital repayments monthly whilst servicing interest. The IFRS 9 provision has increased gradually since the Borrower entered administration as the size of the portfolio reduces and the proportion of loans in default increases over time. There are some significantly large loans in default within the portfolio, for which legal proceedings are underway. The Company maintains regular dialogue with the administrators to ascertain the latest status of these positions.

A large proportion of the outstanding carrying value for the Film Financing Portfolio is comprised of an outstanding tax credit which we are hopeful of receiving in the next 12 months.

The loan to the US healthcare services company is due to mature imminently in December 2024. Payments for this loan have been covered by the Guarantor since June 2021, when the Borrower defaulted.

Further information about the status of the remaining loans, along with the respective assigned provisions, is provided within the Investment Report.

No foreign exchange hedging has been employed during the reporting period. Non-Sterling cash balances are converted into Sterling at the earliest opportunity. A table showing the foreign exchange exposure in the portfolio as at 30 June 2024 has been included in note 22.

The portfolio exposure by geography, type and currency are presented in the Company Analytics on page 8.

Corporate Activity

The Company delisted from the London Stock Exchange with effect from 4 August 2023. The Cancellation of Trading has allowed for savings to be made in the running costs associated with the Company which is even more critical given we are in the final stages of the wind down.

Gay Coley resigned from the Board to focus on other business commitments with effect from 30 June 2024. The Board wishes to express its deep gratitude and appreciation for the valuable contribution made by Gay during her tenure on the Board and the Board's Committees.

Dividends

Although the Company has now delisted, it meets certain criteria that allow it to maintain its investment trust status under the Corporation Tax Act 2010. As such, the Board shall continue to pay sufficient dividends to maintain the investment trust status during the period of winding up.

Chairman's Statement *(continued)*

Capital Distributions

The Company adopted a B Share scheme, following approval by Shareholders at the General Meeting held on 23 March 2021. The Company is therefore able to issue redeemable B Shares to Shareholders which are subsequently redeemed for cash, this allows the capital returns to be made in a more tax efficient manner for some Shareholders.

During this reporting period, the Board distributed over £5.1 million using the B Share Scheme, which is equivalent to 9.75p per Ordinary Share.

To date, a total of £24.6 million has been distributed to Shareholders via the B Share Scheme since the commencement of the managed wind down, this is equivalent to 46.75p per Ordinary Share. Moreover, an additional £4.9 million, equivalent to 9.25p per Ordinary Share, had been distributed in the form of dividends.

The quantum and timing of a Return of Capital to Shareholders following receipt by the Company of the net proceeds of realisations of investments will be dependent on the Company's liabilities and general working capital requirements. Accordingly, any future Return of Capital will continue to be at the discretion of the Board, which will announce details of each Return of Capital, including the relevant Record Date, Redemption Price and Redemption Date, through the Company's website.

Shareholder Engagement

The Board has engaged with Shareholders over the reporting period, taking feedback and responding to their recommendations where appropriate. Brett Miller has led this activity and will continue to do so as we continue to wind down the Company.

Outlook

The Company is now in its final stage of the wind down. There are some large exposures that remain in the Company and it is hoped that over the next year, there will be meaningful progress in realising these remaining assets. Achieving a balance between maximising the value of the remaining assets and ensuring timely returns of capital to Shareholders remains a key consideration for the Company. The cost base will be continuously monitored to ensure efficiency and maximum returns for Shareholders until the wind down is complete.

There are a few positions that are approaching maturity or where payments are expected in the near term, if these progress as expected, then the wind down could predominantly be achieved within the next 18 months. There are some positions that we are aware will extend beyond this point due to the extensions to maturity dates for some of the loans however the Board will ensure that it continues to provide maximum returns and will look for new exit routes should the need arise.

We thank investors for their support and will continue to provide key updates via the Company's website, www.securedincomefundplc.co.uk.

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Strategic Report

Investment Report

Overview

The Company has continued to work closely with Borrowers to ensure maximum returns are achieved in each of the specific circumstances and therefore optimising the return of capital to Shareholders. This will be maintained in the final stage of the wind down. The Company commenced the wind down four years ago, in September 2020. To date, the realisation of the assets has been strong, with 9.25p per Ordinary share returned to Shareholders via dividend distribution and 46.75p per Ordinary share via a B Share Scheme, which was adopted to ensure more tax efficient capital distributions for Shareholders.

Portfolio

As of 30 June 2024, the portfolio contained ten direct loans, each with an average carrying value of £0.3 million.

The legacy loans are fully impaired under IFRS 9 and, therefore, have zero carrying value assigned to them. This is due to various factors, such as continuous repayment delays and depleted borrower assets. The Company has continued to engage with each of these Borrowers for updates and will reassess the positions should there be any changes in circumstances.

Direct Loans

Borrower	Principal Balance Outstanding as at 30 June 2024 £	ECL provision at 30 June 2024 £	Loan Carrying Value at Amortised Cost [1] at 30 June 2024 £	Amortisation/ Bullet repayment/ other	Asset Type	Currency	Yield
Borrower 1	£1,588,661	£4,766	£1,583,895	Pass-through amortisation	SME and Leasing Fund	EUR	Variable
Borrower 2	£593,120	£74,140	£518,980	Interest only for 12 months, then amortisation	Medical Services	USD	12%
Borrower 3	£1,189,660	£915,175	£274,485	Bullet repayment/other	Wholesale Lending	GBP	10%
Borrower 4	£1,553,090	£1,271,304	£281,786	Cash sweep	Film Production Financing	USD	12%
Borrower 5	£1,590,365	£1,490,610	£99,755	Cash sweep	Film Production Financing	GBP	11%
Borrower 6	£395,413	£316,331	£79,082	Bullet repayment	Technology	USD	5%
Borrower 7	£2,395,295	£2,359,597	£35,698	Cash sweep	Film Production Financing	GBP	12%
Borrower 8	£1,418,400	£1,383,623	£34,777	Cash sweep	Film Production Financing	GBP	11%
Borrower 9	£632,877	£614,455	£18,422	Cash sweep	Film Production Financing	GBP	12%
Borrower 10	£426,945	£417,996	£8,949	Cash sweep	Film Production Financing	GBP	12%
Direct Loans Total	**£11,783,826**	**£8,847,997**	**£2,935,829**				

[1] The carrying values of loans at amortised cost disclosed in the table.

Strategic Report
Investment Report *(continued)*

Direct Loans *(continued)*
The latest status of the direct loans has been outlined below.

Irish SME and Leasing Fund investment (Borrower 1) – 31.6% of NAV
This portfolio of 12 corporate exposures has continued to perform well with a net IRR of 11.6% achieved to date. The capital return period has been extended to September 2025 for this position. However, there are several refinance opportunities that are currently being pursued, which could result in material capital repayment in the upcoming months as these are crystallised. The overall portfolio continues to perform well, with opportunities to make additional gains through exit fees and warrants.

During the reporting period, the Company has received €729,424 in capital repayments.

US healthcare services company (Borrower 2) – 10.4% of NAV
This loan was made to a company specialising in ancillary medical services for several hospitals in the American Midwest, including optometry, audiology, dentistry, and podiatry. A key aspect of the security package is that a parent company guarantees all scheduled interest and principal repayments.

The Borrower is in default as it sold its core business assets in June 2021, rendering the business economically unviable.

The latest monthly payments of principal and interest have been made by the Guarantor and are up to date, in line with the original schedule. We believe it is in the Guarantor's best interest to ensure the loan is repaid in full as per the schedule. All rights over the Guarantor have been reserved. The loan is due to mature in December 2024.

SME Loan company (Borrower 3) – 5.5% of NAV
This loan was originated in May 2017 and is secured against a wholesale portfolio of working capital SME loans.

The portfolio is in run off as the Borrower entered administration in December 2022.

The Company is currently working with the administrator to recoup the outstanding balance. The underlying SME loans within this portfolio continue to be closely monitored by the Company through regular dialogue with the Borrower to assess their ongoing status. Legal proceedings have progressed against a large proportion of the underlying positions in default to improve their likelihood of recovery.

During the period, the Company has received £777,698 by way of capital repayments; a further £239,565 has been received in capital repayments post-year end, whilst monthly interest on the loan continues to be serviced. The impairment assigned to this position has been increased over time as the portfolio runs off and the proportion of loans in default increases against the remaining portfolio.

Media financing (Borrowers 4, 5, 7, 8, 9 and 10) – 9.6% of NAV
The Company remains in regular dialogue with the Borrower to closely monitor receipts of the Film Production Financing portfolio, comprising six film financings. Small recoveries have been made during the period. However, the Company is expecting a significant proportion of the outstanding carrying value to be repaid in the coming months as it looks to recover funds from a contracted Tax Credit.

Discussions have been taking place with distributors to strengthen and build upon the cashflows expected from the "non-contractual Future Sales" element, i.e. the previously unsold territories. A ten year agreement has been signed with a major distributor for one of the film financings which will generate additional revenue over time.

External specialists continue to support the Company in identifying the best approach in realising maximum value for Shareholders given the specialist nature of the sector.

Investment Report *(continued)*

Direct Loans *(continued)*

UK Venture Debt (Borrower 6) – 1.6% of NAV

A follow-on loan was made in October 2022 to a merged broadband technology company in the hope of recovering some losses incurred by a legacy position within the portfolio. This loan had an 18-month term, with interest accruing at 5% per annum. Unfortunately, the merged entity has not performed in line with expectations and as a result is selling the legacy broadband equipment company to a new buyer.

The Company is hoping to recoup the follow-on investment amount along with interest due. However, it is noted that the original term, which would have resulted in the loan maturing in April 2024, has had to be extended to December 2025 to provide a sufficient chance of recovery.

Outlook

The Company continues to make good progress in realising the remaining assets. In the next 12 months, we expect that most of the outstanding positions will be realised or be close to reaching maturity.

The Company will continue to work closely with the remaining borrowers to ensure maximum returns for Shareholders from the outstanding loans and will engage the necessary specialists to enhance returns where possible for the remaining loans.

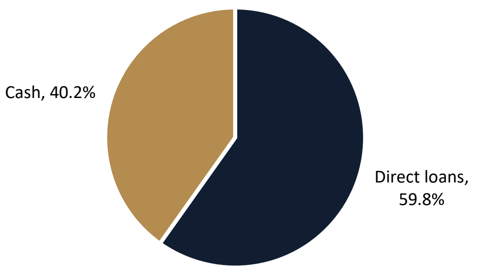
Updates will be provided in this final stage as and when there are material developments. We would like to thank Shareholders for their continued support as we progress within this final chapter of the wind down.

Brett Miller
Director
28 October 2024

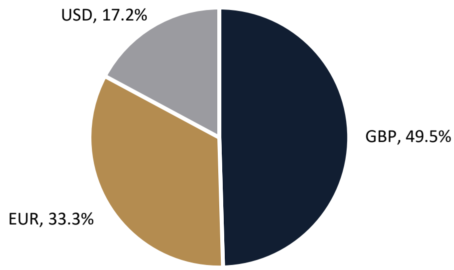
Strategic Report

Company analytics as at 30 June 2024

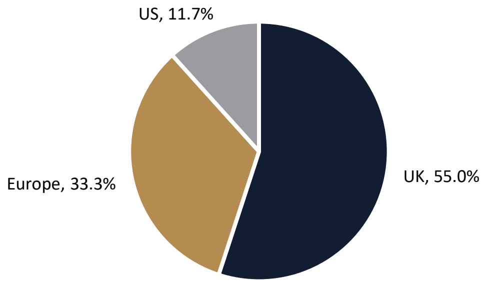
Portfolio Exposure by Type



Portfolio by Currency



Portfolio Exposure by Geography



The above charts comprise the Company's loans at amortised cost (excluding capitalised transaction fees), accrued interest receivable and cash and cash equivalents.

Strategic Report

Principal Risks and Uncertainties

Risk is inherent in the Company's activities, but it is managed through an ongoing process of identifying and assessing risks and ensuring that appropriate controls are in place. The key risks faced by the Company, along with controls employed to mitigate those risks, are set out below.

Macroeconomic risk
Adverse macroeconomic conditions may have a material adverse effect on the Company's yield on investments, default rate and cash flows. The Board keeps abreast of market trends and information to try to prepare for any adverse impact.

The Company's assets are diversified by geography, asset class, and duration, thereby reducing the impact that macroeconomic risk may have on the overall portfolio.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows and/or fair values of the Company's investments. Exposure to interest rate risk is limited by the use of fixed rate interest on the majority of the Company's loans, thereby giving security over future loan interest cash flows.

Currency risk is the risk that changes in foreign exchange rates will impact future profits and net assets.

Credit risk
The Company invests in a range of secured loan assets mainly through wholesale secured lending opportunities, secured trade and receivable finance and other collateralised lending opportunities. The Company is also exposed to direct loans. Significant due diligence is undertaken on the borrowers of these loans and security taken to cover the loans and to mitigate the credit risk on such loans.

The key factor in underwriting secured loans is the predictability of cash flows to allow the borrower to perform as per the terms of the contract.

Following the change of investment objective on 17 September 2020, the Company ceased to make any new investments or to undertake capital expenditure except where in the opinion of the Board:

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals.

The Company's assets are diversified by geography, asset class, and duration, thereby reducing the impact that investment risk may have on the overall portfolio. This diversification may reduce as assets are realised, but is an acceptable, and to some extent unavoidable, risk associated with the realisation process.

The credit risk associated with the investments is reduced not only by diversification but also by the use of security. Despite the use of security, credit risk is not reduced entirely and so the Board monitors the recoverability of the loans (on an individual loan basis) each month and impairs loans in accordance with IFRS 9 *Financial Instruments*.

Regulatory risk
The Company's operations are subject to wide ranging regulations, which continue to evolve and change. Failure to comply with these regulations could result in losses and damage to the Company's reputation.

The Company employs third party service providers to ensure that regulations are complied with.

Environment, Employee, Social and Community Issues

As an investment company, the Company does not have any employees or physical property, and most of its activities are performed by other organisations. Therefore, the Company does not combust fuel and does not have any greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

When making investment decisions, the Board had not, historically, considered the impact that an entity in which the Company invested may have on the community. However, whilst the Board believes that all companies have a duty to consider their impact on the community and the environment, the Company does not have a direct impact on the community or environment and, as a result, does not maintain policies in relation to these matters.

The Board is committed to achieving the best possible risk-adjusted returns through integrating Environmental, Social and Governance ("ESG") considerations into its core investment analysis and decision-making process, whilst being mindful of the managed wind down of the Company. The Board recognised the value in considering ESG risks and had adopted the following ESG approach in conducting its business:

- Adopting responsible and ethical approach to governance including:
  - Remuneration of senior management and a policy on bonuses that is compliant with international standards;
  - Implementation of compliance policies and procedures and on-going monitoring of the firm's systems and controls;
  - Implementation of risk controls throughout the business; and
  - Consideration of our ethical obligations in all business conduct (anti money laundering, anti-corruption, reputational due diligence).
- Encouraging a human resource policy which values and respects all staff members through:
  - Objective criteria to measure performance and competencies; and
  - Equality across all staff irrespective of role, gender, race, age, religious belief or sexual orientation.

Gender and Ethnic Diversity

The Board of Directors of the Company currently comprises two male Directors and, until 30 June 2024, one female Director, all of whom are white British.

The Directors consider the current structure, size and composition required of the Board, taking into account the challenges and opportunities facing the Company. In considering future candidates, appointments will be made with regard to a number of different criteria, including diversity of gender, ethnicity, background and personal attributes, alongside the appropriate skills, experience and expertise.

The Directors are committed to diversity at Board level. However, as the Company is now in a managed wind down, they are not aiming to increase the diversity of the Board at this stage.

Key Performance Indicators

The Board uses the following key performance indicators ("KPIs") to help to assess the Company's performance against its objectives. Further information on the Company's performance is provided in the Chairman's Statement and the Investment Report.

Cash returned to Shareholders

The Company distributes at least 85% of its distributable income by way of dividends.

To date, the Company has not announced a dividend for the year ended 30 June 2024 (2023: none (see notes 5 and 19 for further details)). To ensure the tax efficient streaming of qualifying interest income, the Company may announce a dividend for the year ended 30 June 2024, once the tax advisers have finalised the tax computations.

Following the change in investment objective on 17 September 2020, the Directors consider it important to measure the amount of capital returned to Shareholders. During the year, £5,134,000 (2023: £1,580,000) (see note 5) was returned to Shareholders by way of B Share redemptions and £nil (2023: £395,000) (see note 5) was paid to Shareholders by way of dividends.

NAV and total return

The Directors regard the Company's NAV as a key component to delivering value to Shareholders but believe that total return (which includes dividends and B Share redemptions) is the best measure for shareholder value.

Details of the NAV and total return are disclosed on page 2 and note 21.

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Strategic Report

Promoting the Success of the Company

The following disclosure outlines how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

The Board considers the needs of a number of stakeholders when considering the long-term future of the Company. The key stakeholders with which the Board has liaised during the year ended 30 June 2024 were:

- Shareholders; and
- Key service providers.

Shareholders

When making principal decisions, the Board considers it imperative to analyse the views of the Company's investors to ensure that its decisions are aligned with the wishes of Shareholders and that the Company can achieve its Investment Policy (as disclosed on page 2). The key performance indicators (see page 11) have been considered on an ongoing basis as part of the Board's decision-making process.

Details of how the Directors communicate with Shareholders can be found in the Corporate Governance Report, on page 20.

Key service providers

Details of the Company's key service providers can be found in the Directors' Report on page 15.

The Board has continuous access to the Company's key service providers and has open two-way communication with them. Key aspects of discussion with these service providers, other than those regarding Company performance and strategy, were in respect of fees payable to these providers.

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Governance

Directors' Report

The Directors of the Company are pleased to present their report and audited Financial Statements for the year ended 30 June 2024.

The Company is an investment company as defined in s833 of the Companies Act 2006.

Its shares were admitted to trading on the London Stock Exchange Specialist Fund Segment on 23 September 2015, and delisted effective 4 August 2023.

Principal activity

The principal activity of the Company is to carry out an orderly realisation of the remaining assets in the portfolio and distribution of cash to Shareholders.

Results, Dividends and B Share Scheme

The results of the Company for the year are shown on page 26.

Further details, including details of future developments, are provided in the Chairman's Statement and Investment Report.

The Company distributes at least 85% of its distributable income by way of dividends.

To date, the Company has not announced a dividend for the year ended 30 June 2024 (2023: none (see notes 5 and 19 for further details)). To ensure the tax efficient streaming of qualifying interest income, the Company may announce a dividend for the year ended 30 June 2024, once the tax advisers have finalised the tax computations.

The Company elected to designate any dividends for the year ended 30 June 2024 as interest distributions to its Shareholders. In doing so, the Company took advantage of UK tax treatment by "streaming" income from interest-bearing investments into dividends that will be taxed in the hands of Shareholders as interest income.

In accordance with IFRS, dividends are only provided for when they become a contractual liability of the Company. Therefore, during the year a total of £nil (2023: £395,000) was incurred in respect of dividends, none of which was outstanding at the reporting date.

The Directors do not recommend the payment of a final dividend for the financial year.

Following Shareholder approval at a General Meeting on 23 March 2021, the Company established a B Share Scheme whereby capital is returned to Shareholders via the bonus issue, and subsequent repurchase, of B Shares pro-rata to Shareholders' holding of Ordinary Shares.

B Shares equivalent to 9.75p (2023: 3.0p) per Ordinary Share were issued and repaid during the year.

Net Assets

At 30 June 2024, the Company had net assets of £5,005,000 (2023: £9,740,000).

Going Concern

On 19 June 2020, the Company held the Continuation Vote that, in line with the Directors' recommendation, did not pass. This vote was required under the Articles as the Company did not have a Net Asset Value of at least £250 million as at 31 December 2019. As this vote did not pass, the Directors (as required under the Articles) convened a further general meeting of the Company on 17 September 2020 at which Shareholders approved the managed wind down of the Company.

Directors' Report *(continued)*

Going Concern *(continued)*

Given the Company's investment policy to carry out an orderly realisation of the Company's portfolio of assets and distribution of cash to Shareholders, the financial statements have been prepared on a non-going concern basis. This has had no significant impact on the financial statements as the loans are included net of their expected credit loss provision ("ECL") and are expected to be realised in an orderly manner, and the estimated costs of winding up the Company are immaterial and therefore have not been provided for in the financial statements.

The Directors have assessed the prospects of the Company over the period to 31 December 2025.

In their assessment, the Directors considered the Company's principal risks and uncertainties together with the Company's income and expenditure projections. The Directors also noted that the Company's portfolio could be utilised to meet funding requirements, if necessary.

The Company has processes for monitoring operating costs, compliance with the investment objective and policy, asset allocation, the portfolio risk profile, counterparty exposure, liquidity risk, foreign exchange risk and financial controls.

After undertaking prudent and robust enquiries, and assessing all data relating to the Company's liquidity, the Directors have a reasonable expectation that the Company has adequate resources to: continue in operation; realise the Company's assets in an orderly manner; and meet its liabilities as they fall due, for at least the next twelve months from the date of approval of the Financial Statements.

Litigation

So far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company.

Internal Control and Financial Reporting

The Board is responsible for establishing and maintaining the Company's system of internal control. Internal control systems are designed to meet the particular needs of the Company and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, by their nature, can only provide reasonable and not absolute assurance against misstatement and/or loss.

The key procedures which have been established to provide effective internal controls are as follows:

- The Administrator is responsible for the provision of administration and company secretarial duties;
- The duties of investment management and accounting are segregated. The procedures are designed to complement one another;
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts; and
- The Board reviews financial information produced by the Company's Investment Consultant and the Administrator on a regular basis.

The Company does not have an internal audit department. All of the Company's management functions are delegated to third parties and it is therefore felt that there is no need for the Company to have an internal audit function.

The Board has considered the FRC guidance on risk management, internal control and related financial and business reporting. The Board is responsible for ensuring the maintenance of a robust system of internal control and risk management and for reviewing the effectiveness of the Company's overall internal control arrangements and processes.

Directors' Report *(continued)*

With effect from 31 December 2021, following FCA approval of its application, the Company became a self-managed AIFM.

Financial Risk Profile
The Company's financial instruments comprise loans, bonds with loan type characteristics, investments at fair value through profit or loss, cash and cash equivalents, other receivables and other payables that arise directly from the Company's operations.

The main risks are market risk (comprising price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. Further details are given in note 22 to the financial statements. The Company's financial risk management objectives, policies and principal risks faced by the Company are outlined on page 9.

Material Contracts
The Company's material contracts are with:

- Syon Arc Limited, which acts as a Consultant;
- Elysium Fund Management Limited, which acts as Administrator and Company Secretary;
- Royal Bank of Scotland International Limited, which acts as Banker; and
- Link Group, which acts as Registrar.

Taxation
The Company is exempt from UK corporation tax on its chargeable gains as it satisfies the conditions for approval as an investment trust. The Company is, however, liable to UK corporation tax on its income. However, the Company has elected to take advantage of modified UK tax treatment in respect of its "qualifying interest income" in order to deduct all, or part, of the amount it distributes to Shareholders as dividends as an "interest distribution".

Capital structure and share issues
The Company has 52,660,350 (2023: 52,660,350) Ordinary Shares (of 1 pence each) in issue, together with 1 (2023: 1) Management Share (of £1). The Company does not currently have any borrowings.

Letters of appointment and election of Directors
During the year and to date, the following served as Directors of the Company:
- David Stevenson *(Chairman)*
- Gaynor Coley *(Resigned 30 June 2024)*
- Brett Miller

Each Director signed a letter of appointment to formalise the terms of their engagement as a Director. The terms of those letters of appointment specify that Non-Executive Directors are typically expected to serve an initial three-year term, subject to retirement by rotation in accordance with the Company's Articles of Association. Continuation beyond the initial three-year term will be subject to re-election by the Shareholders. Copies of the letters of appointment are available on request from the Company Secretary and will be available at the Annual General Meeting ("AGM").

Directors' Report *(continued)*

Directors' interests

At 30 June 2024 and the date of signing this report, the Directors' interests in the Ordinary Shares of the Company were as follows:

	28 October 2024	*30 June 2024*
David Stevenson	400,256	400,256
Gaynor Coley *(Resigned 30 June 2024)*	n/a	2,139
Brett Miller	911,800	911,800

During the year, no Director had a material interest in a contract to which the Company was a party (other than their own letter of appointment), requiring disclosure under the Companies Act 2006.

There were no changes in the interests of Directors between 30 June 2024 and the date of this report.

Political donations

The Company made no political donations during the year to organisations either within or outside of the EU (2023: nil).

Corporate Governance

The Corporate Governance Report, which forms part of the Directors' Report, can be found on pages 18 to 20.

Auditor

Moore Kingston Smith LLP ("MKS") has been re-appointed as the Company's auditor and has expressed its willingness to continue in office.

Disclosure of Information to Auditor

The Directors who held office at the date of approval of this Report of the Directors 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 steps that they ought to have taken as a Director to establish that the Company's auditor is aware of that information.

On behalf of the Board

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Brett Miller
Director
28 October 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, Strategic Report, and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements of the Company in accordance with UK-adopted International Accounting Standards.

The Financial Statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Company and of the financial performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 of the Company for that period.

In preparing the 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; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 the maintenance and integrity of the corporate and financial information included on Secured Income Fund plc's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Brett Miller
Director
28 October 2024

Corporate Governance Report

Companies admitted to trading on the Specialist Fund Segment of the London Stock Exchange's main market are not required to comply with the UK Corporate Governance Code 2018 (the "FRC Code"). Until 30 September 2021, the Company was a member of the Association of Investment Companies (the "AIC") and the Directors had considered the principles and recommendations of the 2019 AIC Code of Corporate Governance (the "AIC Code"), which is available at www.theaic.co.uk. However, as part of the Directors' drive to reduce costs, the Company ceased to be a member of the AIC on 1 October 2021 and, from that date to the date of the delisting (4 August 2023), the Directors considered the principles and provisions of the FRC Code.

The Company is committed to high standards of corporate governance and until the delisting sought to follow industry best practice with respect to those aspects of the FRC Code (and prior to 1 October 2021, the AIC Code) that are considered by the Board to be practical and appropriate for an organisation of its size and nature and which, in the Board's opinion, are of material benefit to the Company and/or its stakeholders.

Having noted Gaynor Coley's intention to resign as a director with effect from 30 June 2024, the Board discussed the various committees of the Board and concluded that, given there would only be two directors from 1 July 2024, the Audit and Valuation Committee, the Management Engagement Committee, and the Remuneration and Nomination Committee should be dissolved with effect from the Board meeting held on 23 May 2024. From that date, the Board was responsible for the areas previously covered by the various committees of the Board.

Prior to 23 May 2024, the Directors had taken appropriate measures to ensure that the Company had followed, as far as possible given the Company's size and nature of business, the FRC Code. However, following the dissolution of the committees of the Board, it was not feasible to follow the FRC Code.

The Board and its committees

Prior to 23 May 2024, the Board had delegated certain responsibilities to its Audit and Valuation, Management Engagement, and Remuneration and Nominations Committees. Given the size and nature of the Board it had been felt appropriate that all Directors were members of the Audit and Valuation Committee and Remuneration and Nominations Committee. However, as Brett Miller had not been considered to be independent since 16 September 2020, he was not a member of the Management Engagement Committee.

The roles and responsibilities of the committees were set out in the appropriate terms of reference and are summarised below.

Items were discussed and, as appropriate, matters were endorsed, approved or recommended to the Board by the committees. The chairman of each committee provided the Board with a summary of the main discussion points at the committee meeting, and any decisions made by the committee along with any recommendations which require Board approval.

The Board may also delegate certain functions to other parties; in particular, the Directors may delegate to the Investment Consultant (from 1 January 2022). However, the Directors retain responsibility for exercising overall control and supervision of the Investment Consultant. Matters reserved for the Board include, amongst others, approval and oversight of the Company's investment activities by ensuring that the Company has complied with its investment restrictions. The Board also reviews the progress of the Company in undertaking the managed wind down. Approval of website announcements, dividends, B share scheme redemptions and the annual report and financial statements are also reserved for the Board.

Corporate Governance Report *(continued)*

The Board and its committees *(continued)*

Audit and Valuation Committee

The Company's Audit and Valuation Committee comprised all the Directors of the Company and met at least twice a year. Gaynor Coley was the chair of the Audit and Valuation Committee.

The Audit and Valuation Committee:

- Monitored the financial reporting process;
- Monitored the effectiveness of the Company's internal control and risk management systems;
- Monitored the annual statutory audit process;
- Reviewed and monitored the independence of the Company's auditor in particular in relation to the auditor's provision of additional services to the Company; and
- Was responsible for recommending valuations of the Company's investments to the Board.

Management Engagement Committee

The Company's Management Engagement Committee comprised both Directors of the Company that had been independent throughout their tenure and met at least once a year. David Stevenson was the chairman of the Management Engagement Committee.

The Management Engagement Committee reviewed the actions and judgements of the Former Investment Manager until its contract was terminated on 31 December 2021, and also the terms of the Investment Management Agreement until that date. It also reviewed the performance of and agreements with other service providers. The most recent evaluation found that, at a minimum, all service providers were rated satisfactory.

Remuneration and Nominations Committee

The Company's Remuneration and Nominations Committee was chaired by Gaynor Coley, consisted of all the Directors, and met at least once annually to ensure that the Board had an appropriate balance of skills to carry out its fiduciary duties and to select and propose suitable candidates when necessary for appointment.

The Board takes diversity into account, including gender, during the appointment process. However, the Board is committed to appointing the most appropriate candidate. Therefore, no targets have been set against which to report.

The Remuneration and Nominations Committee undertook an annual performance evaluation of the Board, its Committees, individual Directors and Chairman, to ensure that all its members had devoted sufficient time and contributed adequately to the work of the Board. The Chairman reviewed with each Director their performance and the Board reviewed the Chairman's performance. In light of those evaluations, the Remuneration and Nominations Committee made recommendations to the Board concerning the reappointment by Shareholders of any Director under the "retirement by rotation" provisions in the Company's Articles of Association. The Remuneration and Nominations Committee also reviewed Directors' fees and made recommendations to the Board as and when required in relation to remuneration policy.

Each Director submits a list of potential conflicts of interest at each Board meeting. These are considered carefully, taking into account the circumstances surrounding them and, if considered appropriate, are approved by the Board.

Corporate Governance Report *(continued)*

Board meeting attendance

During the year, the Company held eleven Board meetings, one Audit and Valuation Committee meeting, one Management Engagement Committee meeting and one Remuneration and Nominations Committee meeting. Attendance at these Board and Committee meetings is detailed below:

	Number of meetings			
	Board	*Audit and Valuation Committee*	*Management Engagement Committee*	*Remuneration and Nominations Committee*
David Stevenson	11/11	1/1	1/1	1/1
Gaynor Coley	10/11	1/1	1/1	1/1
Brett Miller	10/11	1/1	n/a	1/1

Board's performance evaluation

During the year, the Board undertook a performance evaluation. As part of the evaluation, the Chairman met the individual Directors for the purpose of a formal and rigorous performance appraisal and consideration of each Director's independence. The Directors met, without advisers present, to appraise the Chairman's performance. Any training needs identified as part of the evaluation process will be added to the agenda of the next Board meeting.

An externally facilitated Board evaluation was not undertaken as the Company is delisted and its portfolio is being realised.

Relations with Shareholders and Annual General Meeting

The Company encourages two-way communication with both its institutional and private investors and intends to respond quickly to queries raised. The Directors continue to be available to enter into dialogue and correspondence with Shareholders regarding the progress and performance of the Company.

This year's AGM will be held at 2pm on 18 December 2024 at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 2HH. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the AGM in order that the meeting may proceed. Given they are unlikely to be able to attend the AGM in person, Shareholders are strongly encouraged to appoint the Chairman of the AGM as their proxy to vote on their behalf.

The notice of the AGM, which will be circulated to all registered Shareholders with at least twenty-one days' notice, sets out the business of the meeting and an explanation of each proposed resolution. Separate resolutions are proposed in respect of each substantive issue.

On behalf of the Board

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Governance
Regulatory Disclosures

AIFMD disclosures
In accordance with the AIFMD, the Company is classified as self-managed Alternative Investment Fund ("AIF").

Report on remuneration
Details of the Company's remuneration is included in note 8.

Key Information Document ("KID")
The Company's KID, which has been prepared in accordance with the requirements of the packaged retail investment products legislation, is available on the Company's website (www.securedincomefundplc.co.uk).

Risk disclosures
The financial risk disclosures relating to the risk framework and liquidity risk, as required by the AIFMD, are set out on page 9 and in note 22.

Pre-investment disclosures
The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. The Company's Prospectus, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and Shareholder information, is available on the Company's website (www.securedincomefundplc.co.uk). Except for the changes to the investment restrictions, which were approved by Shareholders at the general meeting held on 27 April 2017, and the disapplication of pre-emption rights in respect of allotment of shares from treasury representing 20% of the Company's issued Ordinary Share capital, which was approved by Shareholders at the general meeting held on 18 December 2018, there have been no changes to this information requiring disclosure. Prior to its delisting on 4 August 2023, any information requiring immediate disclosure pursuant to the AIFMD was disclosed to the London Stock Exchange.

Independent Auditor's Report to the members of Secured Income Fund plc

Opinion

We have audited the financial statements of Secured Income Fund plc ('the Company') for the year ended 30 June 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – basis of preparation other than going concern

We draw attention to note 2 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As detailed in note 2, following the outcome of the Company's continuation vote on 19 June 2020 and general meeting on 17 September 2020, a special resolution was approved by the shareholders to put the Company into a managed wind down. The Directors are in the process of completing an orderly realisation of the Company's portfolio of assets in order to maximise the distribution of cash to shareholders and the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in the financial statements. As a result, these financial statements are prepared on a basis other than going concern as described in note 2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 there is 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Independent Auditor's Report to the members of Secured Income Fund plc *(continued)*

Matters on which we are required to report by exception
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.

We have nothing to report in respect of the following matters where 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 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 directors' responsibilities statement set out on page 17, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor’s Report to the members of Secured Income Fund plc *(continued)*

Auditor’s Responsibilities for the audit of the financial statements ***(continued)***

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, UK adopted International Accounting Standards, and UK taxation legislation.

- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance. We corroborated our enquiries through our review of Board minutes.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance. We have carried out procedures including a review of journal entries and a review of accounting estimates and judgements which were designed to provide reasonable assurance that the financial statements were free from fraud or errors.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required. Our procedures included review of minutes, journal entry testing and obtaining additional corroborative evidence as required.

Independent Auditor’s Report to the members of Secured Income Fund plc *(continued)*

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud ***(continued)***

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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 for no purpose other than to draw to the attention of the company’s members those matters which we are required to include in an auditor’s report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company’s members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Matthew Banton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
6th Floor
9 Appold Street
London
EC2A 2AP

28 October 2024

Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	*Year ended 30 June 2024 £'000*	*Year ended 30 June 2023 £'000*
Revenue			
Interest income	*3f*	676	964
Impairment of interest income	*14*	-	(5)
Other income	*3f*	85	28
Net interest income		761	987
Total revenue		**761**	**987**
Operating expenses			
Directors' remuneration	*8*	(245)	(245)
Administration fees	*7b*	(130)	(122)
Consultancy fees	*7c*	(104)	(122)
Other expenses	*11*	(88)	(191)
Audit fees	*10*	(40)	(60)
Legal and professional fees		(7)	(192)
Total operating expenses		**(614)**	**(932)**
Investment gains and losses			
Movement in unrealised gains and losses on loans due to movement in foreign exchange on non-Sterling loans	*14*	(301)	(314)
Movement in impairment losses on financial assets (or loans)	*14*	1,166	2,044
Realised loss on disposal of loans		(416)	(926)
Movement in carrying value of other receivables		(191)	(59)
Total investment gains and losses		**258**	**745**
Net gain from operating activities before gain on foreign currency exchange		**405**	**800**
Net foreign exchange loss		(6)	(1)
Profit and total comprehensive income for the year attributable to the owners of the Company		**399**	**799**
Profit per Ordinary Share *(basic and diluted)*	*13*	**0.76p**	**1.52p**

There were no other comprehensive income items in the year.
Except for unrealised investment gains and losses, all of the Company's profit and loss items are distributable.
The accompanying notes on pages 30 to 53 form an integral part of the financial statements.

Statement of Changes in Equity
for the year ended 30 June 2024

	Note	*Called up share capital £'000*	*Capital redemption reserve £'000*	*Special distributable reserve £'000*	*Special distributable reserve 2 £'000*	*Profit and loss account £'000*	*Total £'000*
At 1 July 2022		527	17,955	7,997	-	(15,563)	10,916
Profit for the year	*20*	-	-	-	-	799	799
Transactions with Owners in their capacity as owners:							
Dividends paid	*5,20*	-	-	(395)	-	-	(395)
B Shares issued during the year	*5, 19, 20*	1,580	-	(1,580)	-	-	-
B Shares redeemed during the year	*5, 19, 20*	(1,580)	1,580	(1,580)	-	-	(1,580)
Cancellation of capital redemption reserve	*19, 20*	-	(19,535)	-	19,535	-	-
At 30 June 2023		**527**	**-**	**4,442**	**19,535**	**(14,764)**	**9,740**
Profit for the year	*20*	-	-	-	-	399	399
Transactions with Owners in their capacity as owners:							
B Shares issued during the year	*5, 19, 20*	5,134	(1,975)	-	(3,159)	-	-
B Shares redeemed during the year	*5, 19, 20*	(5,134)	5,134	-	(5,134)	-	(5,134)
At 30 June 2024		**527**	**3,159**	**4,442**	**11,242**	**(14,365)**	**5,005**

There were no other comprehensive income items in the year.
The above amounts are all attributable to the owners of the Company.
The accompanying notes on pages 30 to 53 form an integral part of the financial statements.

Statement of Financial Position
as at 30 June 2024

	Note	*30 June 2024* *£'000*	*30 June 2023* *£'000*
Non-current assets			
Loans at amortised cost	*14*	1,584	2,822
Other receivables and prepayments	*16*	-	198
Total non-current assets		**1,584**	**3,020**
Current assets			
Loans at amortised cost	*14*	1,352	2,345
Other receivables and prepayments	*16*	141	58
Cash and cash equivalents		2,064	4,477
Total current assets		**3,557**	**6,880**
Total assets		**5,141**	**9,900**
Current liabilities			
Other payables and accruals	*17*	(136)	(160)
Total liabilities		**(136)**	**(160)**
Net assets		**5,005**	**9,740**
Capital and reserves attributable to owners of the Company			
Called up share capital	*19*	527	527
Other reserves	*20*	4,478	9,213
Equity attributable to the owners of the Company		**5,005**	**9,740**
Net asset value per Ordinary Share	*21*	**9.51p**	**18.50p**

These financial statements of Secured Income Fund plc (registered number 09682883) were approved by the Board of Directors on 28 October 2024 and were signed on its behalf by:

David Stevenson (Oct 28, 2024 10:32 GMT)

David Stevenson
Chairman
28 October 2024

Brett Miller
Director
28 October 2024

The accompanying notes on pages 30 to 53 form an integral part of the financial statements.

Statement of Cash Flows
for the year ended 30 June 2024

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Cash flows from operating activities		
Net profit before taxation	399	799
Adjustments for:		
Movement in unrealised gains and losses on loans due to movement in foreign exchange on non-Sterling loans	301	314
Movement in impairment losses on financial assets (or loans)	(1,166)	(2,044)
Realised loss on disposal of loans	416	926
Movement in unrealised gains and losses on receivables	191	59
Amortisation of transaction fees	-	16
Net foreign exchange loss	6	1
Decrease in investments	2,680	3,868
Net cash inflow from operating activities before working capital changes	2,827	3,939
Increase in other receivables and prepayments	(74)	(282)
Decrease in other payables and accruals	(25)	(6)
Net cash inflow from operating activities	**2,728**	**3,651**
Cash flows from financing activities		
B Share scheme redemptions	(5,134)	(1,580)
Dividends paid	-	(395)
Net cash outflow from financing activities	**(5,134)**	**(1,975)**
(Decrease)/increase in cash and cash equivalents in the year	**(2,406)**	**1,676**
Cash and cash equivalents at the beginning of the year	4,477	2,770
Foreign exchange revaluation of cash and cash equivalents	(7)	31
Cash and cash equivalents at the year end	**2,064**	**4,477**

The accompanying notes on pages 30 to 53 form an integral part of the financial statements.

Notes to the Financial Statements
for the year ended 30 June 2024

1. General information
The Company was incorporated and registered in England and Wales under the Companies Act 2006 on 13 July 2015 with registered number 09682883. The Company's shares were admitted to trading on the London Stock Exchange Specialist Fund Segment on 23 September 2015 ("Admission") and delisted with effect from 4 August 2023. The Company is domiciled in England and Wales.

The Company is an investment company as defined in s833 of the Companies Act 2006 and is a Small Registered UK AIFM.

2. Statement of compliance
a) Basis of preparation
These financial statements present the results of the Company for the year ended 30 June 2024. These financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The Company's capital is raised in Sterling, expenses are paid in Sterling, and the majority of the Company's financial assets and liabilities are Sterling based. Therefore, the Board of Directors consider that Sterling most faithfully represents the economic effects of the underlying transactions of the Company, events and conditions. These financial statements are presented in Sterling, which is the Company's functional and presentation currency. All amounts are rounded to the nearest thousand.

Financial statements prepared on a non-going concern basis
On 19 June 2020, the Company held a continuation vote (the "Continuation Vote") that, in line with the Directors' recommendation, did not pass. This vote was required under the Articles as the Company did not have a Net Asset Value of at least £250 million as at 31 December 2019. As this vote did not pass, the Directors (as required under the Articles) convened a further general meeting of the Company on 17 September 2020 at which a special resolution approved the managed wind down of the Company and the adoption of the new investment policy of the Company, as set out on pages 2 and 3, to carry out an orderly realisation of the Company's portfolio of assets and distribution of cash to Shareholders.

This has had no significant impact on the accounting policies, judgements or recognition of and carrying value of assets and liabilities within the financial statements as the loans are included net of their expected credit loss provision ("ECL") and are expected to be realised in an orderly manner, and the estimated costs of winding up the Company are immaterial and therefore have not been provided for in the financial statements.

b) Basis of measurement
The financial statements have been prepared on a historical cost basis, except for investments at fair value through profit or loss, which are measured at fair value through profit or loss.

Given the Company's investment policy to carry out an orderly realisation of the Company's portfolio of assets and distribution of cash to Shareholders, the financial statements have been prepared on a non-going concern basis.

c) Segmental reporting
The Directors are of the opinion that the Company is engaged in a single economic segment of business, being investment in a range of SME loan assets. Consequently, no segmental analysis is required.

2. Statement of compliance *(continued)*

d) Use of estimates and judgements

The preparation of financial statements in conformity with UK-adopted International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgements made by management in the application of UK-adopted International Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

3. Significant accounting policies

a) Foreign currency

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities are recognised in the Statement of Comprehensive Income.

b) Financial assets and liabilities

The financial assets and liabilities of the Company are defined as loans, bonds with loan type characteristics, investments at fair value through profit or loss, cash and cash equivalents, other receivables and other payables.

Classification

IFRS 9 requires the classification of financial assets to be determined on both the business model used for managing the financial assets and the contractual cash flow characteristics of the financial assets. Loans have been classified at amortised cost as:

- they are held within a "hold to collect" business model with the objective to hold the assets to collect contractual cash flows; and
- the contractual terms of the loans give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Although there has been a change in the investment objective and policy, there has been no change in the business model as the loans continued to be held under a 'hold to collect' model.

The Company's unquoted investments have been classified as held at fair value through profit or loss as they are held to realise cash flows from the sale of the investments.

Recognition

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

3. Significant accounting policies *(continued)*
b) Financial assets and liabilities *(continued)*
Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar assets) is derecognised where:
- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset (or has entered into a pass-through arrangement) and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Initial measurement
Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and financial liabilities not designated as at fair value through profit or loss, such as loans, are initially recognised at fair value, being the amount issued less transaction costs.

Subsequent measurement
After initial measurement, the Company measures financial assets and financial liabilities not designated as at fair value through profit or loss, at amortised cost using the effective interest rate method, less impairment allowance. Gains and losses are recognised in the Statement of Comprehensive Income when the asset or liability is derecognised or impaired. Interest earned on these instruments is recorded separately as investment income.

After initial measurement, the Company measures financial instruments which are classified at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss.

The carrying value of cash and cash equivalents and other receivables and payables equals fair value due to their short-term nature.

Impairment
A financial asset is credit-impaired when one or more events that have occurred have a significant impact on the expected future cash flows of the financial asset. It includes observable data that has come to the attention of the holder of a financial asset about the following events:
- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or past-due event;
- The lenders for economic or contractual reasons relating to the borrower's financial difficulty granted the borrower a concession that would not otherwise be considered;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Each direct loan is assessed on a continuous basis by the Board and the Investment Consultant.

3. Significant accounting policies *(continued)*

b) Financial assets and liabilities *(continued)*

Impairment (continued)

Each platform loan is monitored via the company originally deployed to conduct underwriting and management of the borrower relationship. When a potential impairment is identified, the Board and Investment Consultant requests data and management information from the platform. The Board and Investment Consultant will then actively pursue collections, giving guidance to the platforms on acceptable levels of impairment. In some cases, the Board and Investment Consultant will proactively take control of the process.

Impairment of financial assets is recognised on a loan-by-loan basis in stages:

Stage 1: As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without deduction for expected credit losses).

Stage 2: If the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1. This stage is triggered by scrutiny of management accounts and information gathered from regular updates from the borrower by way of email exchange or face-to-face meetings. The Board extends specific queries to borrowers if they acquire market intelligence or channel-check the data received. A covenant breach may be a temporary circumstance due to a one-off event and will not trigger an immediate escalation in risk profile to stage 2.

At all times, the Board considers the risk of impairment relative to the cash flows and general trading conditions of the company and the industry in which the borrower resides.

Stage 3: If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (i.e. the gross carrying amount less the loss allowance). Financial assets in this stage will generally be assessed individually. Lifetime expected credit losses are recognised on these financial assets. This stage is triggered by a marked deterioration in the management information received from the borrower and a view taken on the overall credit conditions for the sector in which the company resides. A permanent breach of covenants and a deterioration in the valuation of security would also merit a move to stage 3.

The Board also takes into account the level of security to support each loan and the ease with which this security can be monetised.

For more details in relation to judgements, estimates and uncertainty see note 4.

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

The carrying values of cash and cash equivalents are deemed to be a reasonable approximation of their fair values.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

3. Significant accounting policies *(continued)*

d) Receivables and prepayments

Receivables are carried at the original invoice amount less impairments, that are measured on the same basis as above.

The carrying value of non-current receivables considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The carrying values of the accrued interest and other receivables are deemed to be reasonable approximations of their fair values.

e) Transaction costs

Transaction costs incurred on the acquisition of loans are capitalised upon recognition of the financial asset and amortised over the term of the respective loan.

f) Income and expenses

Interest income and bank interest are recognised on a time-proportionate basis using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

All expenses are recognised on an accruals basis. All of the Company's expenses (with the exception of share issue costs, which are charged directly to the special distributable reserve) are charged through the Statement of Comprehensive Income in the period in which they are incurred.

g) Taxation

The Company is exempt from UK corporation tax on its chargeable gains as it satisfies the conditions for approval as an investment trust. The Company is, however, liable to UK corporation tax on its income. However, the Company has elected to take advantage of modified UK tax treatment in respect of its "qualifying interest income" in order to deduct all, or part, of the amount it distributes to Shareholders as dividends as an "interest distribution".

h) B Shares

B Shares are redeemable at the Company's option and are classified as equity as the potential indicator of a liability, being the fixed rate cumulative dividend, is immaterial given the shares are allotted and redeemed on the same day. B Shares, which are redeemed immediately following issue, are measured at the redemption amount.

i) Reserves

Under the Company's articles of association, the Directors may, having obtained the relevant authority of Shareholders pursuant to the implementation of the B share scheme, capitalise any sum standing to the credit of any reserve of the Company for the purposes of paying up, allotting and issuing B Shares to Shareholders.

(i) Capital Redemption Reserve
The nominal value of Ordinary Shares if bought back and cancelled and the nominal value of B Shares redeemed and subsequently cancelled are added to this reserve. This reserve is non-distributable.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

3. Significant accounting policies *(continued)*

i) Reserves *(continued)*

(ii) Special Distributable Reserve
During the period ended 30 June 2016, and following the approval of the Court, the Company cancelled the share premium account and transferred £51,143,000 to a special distributable reserve, being premium on issue of shares of £52,133,000 less share issue costs of £990,000. The special distributable reserve is available for distribution to Shareholders, including the payment of dividends, return of capital to shareholders, buy back of Ordinary Shares or redemption of B Shares.

(iii) Special Distributable Reserve 2
During the year ended 30 June 2023, and following the approval of the Court, the Company cancelled the capital redemption reserve and transferred £19,535,000 to a special distributable reserve. The special distributable reserve is available for distribution to Shareholders, including the payment of dividends, return of capital to shareholders, buy back of Ordinary Shares or redemption of B Shares.

(iv) Profit and loss account – distributable
The net profit/loss arising from realised revenue (income, expenses, foreign exchange gains and losses and taxation) in the Statement of Comprehensive Income is added to this reserve, along with realised gains and losses on the disposal of financial assets and derivative positions. Dividends paid during the year are deducted from this reserve, where sufficient reserves are available.

(v) Profit and loss account – non-distributable
Unrealised gains and losses on financial assets and derivative positions are taken to this reserve.

j) Changes in accounting policy and disclosures

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except as outlined below. The Company adopted the following new and amended relevant IFRS in the year:

IAS 1 Presentation of Financial Statements – *amendments regarding the disclosure of accounting policies*
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - *amendments regarding the definition of accounting estimate*

The adoption of these accounting standards did not have any impact on the Company's Statement of Comprehensive Income, Statement of Financial Position or equity. A number of other amendments and interpretations are applicable for the year but are not relevant to the Company.

k) Accounting standards issued but not yet effective

The International Accounting Standards Board ("IASB") has issued/revised a number of relevant standards with an effective date after the date of these financial statements. Any standards that are not deemed relevant to the operations of the Company have been excluded. The Directors have chosen not to early adopt these standards and interpretations and they do not anticipate that they would have a material impact on the Company's financial statements in the period of initial application.

		Effective date
IAS 1	Presentation of Financial Statements – *amendments regarding the classification of liabilities*	1 January 2024
	Presentation of Financial Statements – *amendments regarding the classification of debt and covenants*	1 January 2024

4. Use of judgements and estimates
The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability in future periods.

Judgements
In the process of applying the Company's accounting policies, management made the following judgements, which has had a significant effect on the amounts recognised in the financial statements:

Classification of B Shares
The B Shares pay a fixed rate cumulative preferential cash dividend of 1% per annum of the nominal value of £1, and have limited rights, including that: the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company; and the B Shares are redeemable at the Company's option.

However, as the potential indicator of a liability, being the fixed rate cumulative dividend, is immaterial given the B Shares are allotted and redeemed on the same day, the B Shares are classified as equity.

B Shares, which are redeemed immediately following issue, are measured at the redemption amount.

Estimates and assumptions
The Company based its assumptions and estimates on parameters available when the financial statements were approved. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The current economic uncertainty (and the frequent changes in outlook for different economic sectors) has created increased volatility and uncertainty (as mentioned above and in the Investment Report). In such circumstances the level of estimation uncertainty and judgement of expected credit losses has increased. As noted in the Investment Report, there are uncertainties about the need for future provisions that may need to be made against individual loans and receivables. Notwithstanding the best endeavours of management to obtain full repayment there is an inherent uncertainty in relation to the level of provisioning made in these financial statements. The Board has updated the expected credit loss assessment (as set out in note 3b) to the best of its knowledge at the time of signing these financial statements to reflect the likely impact on the Company's loan portfolio.

i) Recoverability of loans and other receivables
In accordance with IFRS 9, the impairment of loans and other receivables has been assessed as described in note 3b. When assessing the credit loss on a loan, and the stage of impairment of that loan, the Company considers whether there is an indicator of credit risk for a loan when the borrower has failed to make a payment, either capital or interest, when contractually due and upon assessment. The Company assesses at each reporting date (and at least on a monthly basis) whether there is objective evidence that a loan classified as a loan at amortised cost is credit-impaired and whether a loan's credit risk or the expected loss rate has changed significantly. As part of this process:

- Platforms are contacted to determine default and delinquency levels of individual loans; and
- Recovery rates are estimated.

The analysis of credit risk is based on a number of factors and a degree of uncertainty is inherent in the estimation process.

4. Use of judgements and estimates *(continued)*

i) Recoverability of loans and other receivables *(continued)*

The determination of whether a specific factor is relevant and its weight compared with other factors depends on the type of product, the characteristics of the financial instrument and the borrower, and the geographical region. It is not possible to provide a single set of criteria that will determine what is considered to be a significant increase in credit risk. Events that the Company will assess when deciding if a financial asset is credit impaired include:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or past-due event; and
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Although it may not always be the case (e.g. if discussions with a borrower are ongoing), generally a loan is deemed to be in default if the borrower has missed a payment of principal or interest by more than 180 days, unless the Company has good reason not to apply this rule. If the Company has evidence to the contrary, it may make an exception to the 180 day rule to deem that a borrower is, or is not, in default. Therefore, the definitions of credit impaired and default are aligned as far as possible so that stage 3 represents all loans that are considered defaulted or otherwise credit impaired.

IFRS 9 confirms that a Probability of Default ("PD") must never be zero as everything is deemed to have a risk of default; this has been incorporated into the assessment of expected credit losses. All PDs are assessed against historic data as well as the prevailing economic conditions at the reporting date, adjusted to account for estimates of future economic conditions that are likely to impact the risk of default.

12-month PD is calculated based on a 10 level grading system, where:

- levels 1 to 6 fall into Stage 1, with 12-month PD ranging from 0.01% to 10%;
- levels 7 to 9 fall into Stage 2, with 12-month PD ranging from 20% to 60%, and
- level 10 falls into Stage 3, with a 12-month PD of 100%.

All assessment is based on reasonable and supportive information available at the time.

12-month ECL is calculated based on the following categorisation:

Category	**Loss given default ("LGD") approach**
Easily Realisable	Asset value less 10% haircut discounted at 10% IRR for 12 months to recovery
Realisable	Asset value less 20% discounted at 20% IRR for 2 years to recovery
Highly Specialised/Unsecured	70% LGD
Subordinated Debt	100% LGD

Lifetime ECL is reviewed at each reporting date based on reasonable and supportive information available at the time.

Details of the judgements applied in assessing the recoverability of loans can be found in the Investment Report and should be read in conjunction with the current economic environment.

Collateral

While the presence of collateral is not a key element in the assessment of whether there has been a significant increase in credit risk, it is of great importance in the measurement of ECL. IFRS 9 states that estimates of cash shortfalls reflect the cash flows expected from collateral and other credit enhancements that are integral to the contractual terms. This is a key component of the Company's ECL measurement and interpretation of IFRS 9, as any investment would include elements of (if not all): a fully collateralised position, fixed and floating charges, a corporate guarantee, a personal guarantee.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

4. Use of judgements and estimates *(continued)*
i) Recoverability of loans and other receivables *(continued)*
Loans written off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. Platform loans of £416,000 were written off in the year (2023: none), and the carrying value of the remaining platform loans at 30 June 2024 was £nil (2023: £nil).

Renegotiated loans
A loan is classed as renegotiated when the contractual payment terms of the loan are modified because the Company has significant concerns about a borrower's ability to meet payments when due. On renegotiation, the loan will also be classified as credit impaired, if it is not already. Renegotiated loans will continue to be considered to be credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future payments.

In addition to the methodology used, the Company has taken impairment data from Platforms for the assessment of loans with third party exposure, which was consistent with the approach the Board would have expected to take in those circumstances as at 30 June 2024.

There were no new assets originated during the year that were credit-impaired at the point of initial recognition. There were no financial assets that have been modified since initial recognition at a time when the loss allowance was measured at an amount equal to lifetime expected credit losses and for which the loss allowance changed during the year to an amount equal to 12-month expected credit losses.

There were no financial assets for which cash flows were modified in the year while they had a loss allowance measured at an amount equal to the lifetime expected credit loss.

Please see note 3b, note 14 and note 22 for further information on the loans at amortised cost and credit risk.

5. Dividends
The Company distributes at least 85% of its distributable income earned in each financial year by way of dividends.

To date, the Company has not declared any dividends in respect of earnings for the year ended 30 June 2024. However, to ensure the tax efficient streaming of qualifying interest income, the Company may announce a dividend for the year ended 30 June 2024, once the tax advisers have finalised the tax computations.

The Company elected to designate any dividends for the year ended 30 June 2024 as interest distributions to its Shareholders. In doing so, the Company took advantage of UK tax treatment by "streaming" income from interest-bearing investments into dividends that will be taxed in the hands of Shareholders as interest income.

In accordance with UK-adopted International Accounting Standards, dividends are only provided for when they become a contractual liability of the Company. Therefore, during the year, no dividends were incurred (2023: £395,000 (0.75p per Ordinary Share)) and none were outstanding at the reporting date (2023: none).

All dividends are paid out of revenue (and not capital) profits.

5. Dividends *(continued)*

Mechanics for returning cash to Shareholders

The Board carefully considered the potential mechanics for returning cash to Shareholders and the Company's ability to do so. The Board believes it is in the best interests of Shareholders as a whole to make distributions to Shareholders without a significant delay following realisations of a material part of the Portfolio (whether in a single transaction or through multiple, smaller transactions concluded on similar timing), whether by dividend or other method.

After careful consideration and discussions with a number of Shareholders, the Board believes that one of the fairest and most cost-efficient ways of returning substantial amounts of cash to Shareholders is by adopting a B Share Scheme, whereby the Company will be able to issue redeemable B Shares to Shareholders. These are then redeemed on a Redemption Date without further action being required by Shareholders.

The B Shares are either:

- issued and redeemed out of the special distributable reserve; or
- issued out of the capital redemption reserve, when adequate reserves are available, and redeemed out of the special distributable reserve.

In either method, upon redemption, the B Share capital is cancelled and an equal amount is credited to the capital redemption reserve.

The capital redemption reserve is cancelled, following approval of the Court, and the balance credited to a new special distributable reserve.

The Company made two B Share Scheme redemptions in the year, totalling £5,134,000 (2023: £1,580,000), equivalent to 9.75p per Ordinary Share (2023: 3.00p).

6. Related parties

As a matter of best practice and good corporate governance, the Company has adopted a related party policy which applies to any transaction which it may enter into with any Director, the Investment Consultant, or any of their affiliates which would constitute a related party transaction. In accordance with its related party policy, the Company obtained: (i) the approval of a majority of the Directors; and (ii) a third-party valuation in respect of these transactions from an appropriately qualified independent adviser.

See notes 7 and 8 for further details.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

7. Key contracts

a) Former Investment Manager

KKV Investment Management Ltd had responsibility for managing the Company's portfolio until 31 December 2021.

During the year, no management fees were incurred (2023: £nil) and nothing was payable in respect of management fees at the reporting date (2023: £nil).

Transaction costs

Prior to the change in the investment policy, the Company incurred transaction costs for the purposes of structuring investments for the Company. These costs formed part of the overall transaction costs that were capitalised at the point of recognition and were taken into account when pricing a transaction. When structuring services were provided by the Investment Manager (incumbent at the time of the transaction) or an affiliate of them, they were entitled to charge an additional fee to the Company equal to up to 1.0% of the cost of acquiring the investment (ignoring gearing and transaction expenses). This cost was not charged in respect of assets acquired from the Investment Manager (incumbent at the time of the transaction), the funds they managed or where they or their affiliates did not provide such structuring advice.

During the year, no transaction costs were amortised (2023: £16,000).

b) Administration fees

Elysium Fund Management Limited ("Elysium") is entitled to an administration fee of £100,000 per annum (subject to an annual Retail Price Index increase) in respect of the services provided in relation to the administration of the Company, together with time-based fees in relation to work on investment transactions. During the year, a total of £130,000 (2023: £122,000) was incurred in respect of administration fees, of which £33,000 (2023: £32,000) was payable at the reporting date.

c) Consultancy fees

With effect from 1 January 2022, the Company entered into a consultancy agreement to secure the services of one of the individuals previously employed by KKV Investment Management Ltd.

During the year, a total of £104,000 (2023: £122,000) was incurred in respect of consultancy fees, of which £7,000 (2023: £7,000) was payable at the reporting date and a further £18,000 (2023: £18,000) had been accrued but was not yet payable at the reporting date.

8. Directors' remuneration

During the year, a total of £245,000 (2023: £245,000) was incurred in respect of Directors' remuneration (see breakdown below), none of which was payable at the reporting date (2023: none). No bonus or pension contributions were paid or payable on behalf of the Directors.

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Brett Miller	160	160
David Stevenson	45	45
Gaynor Coley	40	40
	245	**245**

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

9. Key management and employees
The Company had no employees during the year (2023: none). Therefore, there were no key management (except for the Directors) or employees during the year.

The following distributions were paid to the Directors during the year by virtue of their holdings of Ordinary Shares (these distributions were not additional remuneration):

	Year ended 30 June 2024	*Year ended 30 June 2023*
Dividends	*£*	*£*
David Stevenson	-	152
Gaynor Coley *(resigned 30 June 2024)*	-	16
Brett Miller	-	-
B Share Scheme Redemptions		
David Stevenson	16,225	608
Gaynor Coley *(resigned 30 June 2024)*	209	64
Brett Miller	88,900	-

10. Auditor's remuneration
For the year ended 30 June 2024, total fees, plus VAT, charged by MKS, together with amounts accrued at 30 June 2024, amounted to £56,000 (2023: £60,000) and an accrual of £16,000 for amounts due to RSM UK Audit LLP was written off during the year.

All of the £56,000 was payable at the reporting date (2023: £60,000 payable to MKS and £16,000 payable to RSM UK Audit LLP).

11. Other expenses

	Year ended 30 June 2024	*Year ended 30 June 2023*
	£'000	*£'000*
Registrar fees	41	48
Other expenses	26	29
Directors' national insurance	12	27
Listing fees	6	35
Broker fees	3	36
Transaction fees (note 7a)	-	16
	88	**191**

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

12. Taxation
The Company had received confirmation from HMRC that it satisfied the conditions for approval as an investment trust, subject to the Company continuing to meet the eligibility conditions in s.1158 of the Corporation Tax Act 2010 and the ongoing requirements for approved investment trust companies in Chapter 3 of Part 2 of the Investment Trust (approved Company) Tax Regulations 2011 (Statutory Instrument 2011.2999).

Following delisting on 4 August 2023, the Company maintained its status as an investment trust as it met the criteria within Regulation 15 of Chapter 2 of Part 2 of the Investment Trust (approved Company) Tax Regulations 2011 (Statutory Instrument 2011.2999).

As an investment trust the Company is exempt from UK corporation tax on its chargeable gains. The Company is, however, liable to UK corporation tax on its income. However, the Company has elected to take advantage of modified UK tax treatment in respect of its “qualifying interest income” in order to deduct all, or part, of the amount it distributes to Shareholders as dividends as an “interest distribution”.

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Reconciliation of tax charge:		
Profit before taxation	399	799
Tax at the standard UK corporation tax rate of 25% (2023: 25%)	100	200
Effects of:		
- Non-taxable investment gains and losses	(65)	(186)
- Relief claimed for carried forward losses	(35)	(14)
Total tax expense	-	-

Domestic corporation tax rates in the jurisdictions in which the Company operated were as follows:

	Year ended 30 June 2024	*Year ended 30 June 2023*
United Kingdom	25%	25%

Due to the Company’s status as an investment trust and the intention to continue to meet the required conditions, the Company has not provided for deferred tax on any capital gains and losses.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

13. Profit per Ordinary Share

The profit per Ordinary Share of 0.76p (2023: profit per Ordinary Share of 1.52p) is based on a profit attributable to the owners of the Company of £399,000 (2023: Profit of £799,000) and on a weighted average number of 52,660,350 (2023: 52,660,350) Ordinary Shares in issue since Admission. There is no difference between the basic and diluted earnings per share.

14. Loans at amortised cost

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Loans	13,509	16,605
Unrealised loss*	(10,573)	(11,438)
Balance at year end	**2,936**	**5,167**
Loans: Non-current	1,584	2,822
Current	1,352	2,345
Loans at amortised cost	**2,936**	**5,167**

*Unrealised loss		
Foreign exchange on non-Sterling loans	(410)	(109)
Impairments of financial assets	(10,163)	(11,329)
Unrealised loss	**(10,573)**	**(11,438)**

The movement in unrealised gains/losses on loans comprised:

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Movement in foreign exchange on non-Sterling loans	(301)	(314)
Movement in impairment losses on financial assets (or loans)	1,166	2,044
Movement in unrealised gains and losses on loans	**865**	**1,730**

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

14. Loans at amortised cost (*continued*)

The movement in the impairment for the year comprised:

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Impairment of interest income	-	(5)
Impairment losses on financial assets (or loans)	1,166	2,044
Total movement in impairment in the year	**1,166**	**2,039**

The weighted average interest rate of the loans as at 30 June 2024 was 9.99% (2023: 10.47%).

The table below details expected credit loss provision ("ECL") of financial assets in each stage at 30 June 2024:

	30 June 2024				**30 June 2023**			
	Stage 1 £'000	*Stage 2 £'000*	*Stage 3 £'000*	*Total £'000*	*Stage 1 £'000*	*Stage 2 £'000*	*Stage 3 £'000*	*Total £'000*
Direct loans	1,589	-	10,195	11,784	2,534	394	11,833	14,761
ECL on direct loans	(5)	-	(8,843)	(8,848)	(8)	(165)	(9,421)	(9,594)
Direct loans net of the ECL	1,584	-	1,352	2,936	2,526	229	2,412	5,167
Platform loans	-	-	1,315	1,315	-	-	1,735	1,735
ECL on platform loans	-	-	(1,315)	(1,315)	-	-	(1,735)	(1,735)
Platform loans net of the ECL	-	-	-	-	-	-	-	-
Accrued interest	127	-	11	138	30	9	18	57
Total loans	1,589	-	11,510	13,099	2,534	394	13,568	16,496
Total ECL	(5)	-	(10,158)	(10,163)	(8)	(165)	(11,156)	(11,329)
Total net of the ECL	1,584	-	1,352	2,936	2,526	229	2,412	5,167

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

14. Loans at amortised cost (*continued*)

The table below details the movements in the year ended 30 June 2024 of the principal amounts outstanding and the ECL on those loans:

	Non-credit impaired				*Credit impaired*			
	Stage 1		*Stage 2*		*Stage 3*		*Total*	
	Principal outstanding £'000	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*
At 1 July 2023	2,534	(8)	394	(165)	13,568	(11,156)	16,496	(11,329)
Movement between stages	-	-	(394)	165	394	(165)	-	-
Net new and further lending/repayments, and foreign exchange movements	(945)	3	-	-	(2,036)	747	(2,981)	750
Loans written-off in the year	-	-	-	-	(416)	416	(416)	416
At 30 June 2024	1,589	(5)	-	-	11,510	(10,158)	13,099	(10,163)

The table below details the movements in the year ended 30 June 2023 of the principal amounts outstanding and the ECL on those loans:

	Non-credit impaired				*Credit impaired*			
	Stage 1		*Stage 2*		*Stage 3*		*Total*	
	Principal outstanding £'000	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*	*Principal outstanding £'000*	*Allowance for ECL £'000*
At 1 July 2022	3,245	(9)	-	-	18,359	(13,364)	21,604	(13,373)
Net new and further lending/repayments, and foreign exchange movements	(711)	1	394	(165)	(4,791)	2,208	(5,108)	2,044
At 30 June 2023	2,534	(8)	394	(165)	13,568	(11,156)	16,496	(11,329)

An increase of 1% of total gross exposure into stage 3 (from stage 1) would result in an increase in ECL impairment allowance of £14,000 (2023: £23,000) based on applying the difference in average impairment coverage ratios to the movement in gross exposure.

At 30 June 2024, the Board considered £10,163,000 (2023: £11,329,000) of loans to be impaired:

	30 June 2024	*30 June 2023*
	£'000	*£'000*
Direct SME loans	8,848	9,594
Platform loans	1,315	1,735
Total impairment	**10,163**	**11,329**

During the year, £416,000 of loans were written off and included within realised loss on disposal of loans in the Statement of Comprehensive Income (2023: none).

See note 3b and note 4i regarding the process of assessment of loan impairment.

The carrying values of the loans at amortised cost (excluding capitalised transaction costs) are deemed to be a reasonable approximation of their fair values.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

15. Fair value of financial instruments
Financial assets designated as at fair value through profit or loss
The carrying value of receivables are deemed to be a reasonable approximation of their fair values.

Financial assets and liabilities not designated as at fair value through profit or loss
The carrying values of the loans at amortised cost (excluding capitalised transaction costs) are deemed to be a reasonable approximation of their fair values. The carrying values of all other assets and liabilities not designated as at fair value through profit or loss are deemed to be a reasonable approximation of their fair values due to their short duration.

16. Other receivables and prepayments

	30 June 2024	*30 June 2023*
	£'000	*£'000*
Non-current		
Other receivables	-	190
Accrued interest	-	8
	-	**198**
Current		
Accrued interest	138	48
Prepayments	3	10
	141	**58**

The carrying values of the accrued interest and other receivables are deemed to be reasonable approximations of their fair values.

17. Other payables and accruals

	30 June 2024	*30 June 2023*
	£'000	*£'000*
Audit fee	56	76
Administration fee	33	32
Consultancy fee	25	25
Other payables and accruals	22	20
Directors' national insurance	-	7
	136	**160**

The carrying values of the other payables and accruals are deemed to be reasonable approximations of their fair values.

18. Reconciliation of liabilities arising from financing activities
IAS 7 requires the Company to detail the changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

As at 30 June 2024, the Company had no liabilities that would give rise to cash flows from financing activities (2023: none).

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

19. Share capital

	30 June 2024	*30 June 2023*
	£'000	*£'000*
Authorised share capital:		
Unlimited number of Ordinary Shares of 1 pence each	-	-
43,857,133 B Shares of £1 each (2023: 43,857,133)	43,857	43,857
Unlimited C Shares of 10 pence each	-	-
Unlimited Deferred Shares of 1 pence each	-	-
50,000 Management Share of £1 each (2023: 50,000)	50	50

	30 June 2024	*30 June 2023*
	£'000	*£'000*
Called up share capital:		
52,660,350 Ordinary Shares of 1 pence each	527	527
1 Management Share of £1 (2023: 1)	-	-
	527	**527**

Management Shares

The Management Share is entitled (in priority to any payment of dividend of any other class of share) to a fixed cumulative preferential dividend of 0.01% per annum on the nominal amount of the Management Share.

The Management Share does not carry any right to receive notice of, nor to attend or vote at, any general meeting of the Company unless no other shares are in issue at that time. The Management Share does not confer the right to participate in any surplus of assets of the Company on winding up, other than the repayment of the nominal amount of capital.

B Shares

The B Shares are entitled (in priority to any payment of dividend of any other class of share, with the exception of the Management Shares) to a fixed cumulative preferential dividend of 1% per annum on the nominal amount of the B Shares, such dividend to be paid annually on the date falling six months after the date on which the B Shares are issued and thereafter on each anniversary. The B Shares do not confer the right to participate in any surplus of assets of the Company on winding up, other than the repayment of the nominal amount of capital.

During the year, 5,134,000 (2023: 1,580,000) B Shares of £1 each were issued and immediately redeemed by the Company in accordance with the B Share Scheme approved by Shareholders at a General Meeting held on 23 March 2021 (see note 5 for further details). As the B Shares were redeemed immediately upon issue, no cumulative preferential dividend was earned on those shares.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

20. Other reserves

	Special distributable reserve [1] / [3]	*Special distributable reserve 2* [3]	*Capital redemption reserve* [3]	*Profit and loss account* [2]		
				Distributable	*Non-distributable*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
At 30 June 2022	7,997	-	17,955	(2,394)	(13,169)	10,389
Realised revenue profit	-	-	-	54	-	54
Realised investment gains and losses	-	-	-	(926)	-	(926)
Unrealised investment gains and losses	-	-	-	-	1,671	1,671
Dividends paid	(395)	-	-	-	-	(395)
B Shares issued during the year (notes 5 and 19)	(1,580)	-	-	-	-	(1,580)
B Shares redeemed during the year (notes 5 and 19) [3]	(1,580)	-	1,580	-	-	-
Cancellation of capital redemption reserve (notes 5) [3]	-	19,535	(19,535)	-	-	-
At 30 June 2023	**4,442**	**19,535**	**-**	**(3,266)**	**(11,498)**	**9,213**
Realised revenue profit	-	-	-	141	-	141
Realised investment gains and losses	-	-	-	(416)	-	(416)
Unrealised investment gains and losses	-	-	-	-	674	674
B Shares issued during the year (notes 5 and 19) [3]	-	(3,159)	(1,975)	-	-	(5,134)
B Shares redeemed during the year (notes 5 and 19) [3]	-	(5,134)	5,134	-	-	-
At 30 June 2024	**4,442**	**11,242**	**3,159**	**(3,541)**	**(10,824)**	**4,478**

[1] During the period ended 30 June 2016, and following the approval of the Court, the Company cancelled the share premium account and transferred £51,143,000 to a special distributable reserve, being premium on issue of shares of £52,133,000 less share issue costs of £990,000. The special distributable reserve is available for distribution to Shareholders.

[2] The profit and loss account comprises both distributable and non-distributable elements, as defined by Company Law. Realised elements of the Company's profit and loss account are classified as "distributable", whilst unrealised investment gains and losses are classified as "non-distributable".

[3] The B Shares were issued out of either the special distributable reserve or the capital redemption reserve when adequate reserves are available. In either method, the special distributable reserve was utilised when the B Shares were redeemed, the B Share capital was cancelled and an equal amount credited to the capital redemption reserve (see notes 5). On 28 February 2023, the Court approved the cancellation of the Company's Capital Redemption Reserve, totalling £19,535,000. The amount cancelled was credited to the Company's distributable reserves (Special distributable reserve 2) with effect from 10 March 2023.

With the exception of investment gains and losses, all of the Company's profit and loss items are of a revenue nature as it does not allocate any expenses to capital.

21. Net asset value per Ordinary Share

The net asset value per Ordinary Share is based on the net assets attributable to the owners of the Company of £5,005,000 (2023: £9,740,000), less £1 (2023: £1), being amounts owed in respect of Management Shares, and on 52,660,350 (2023: 52,660,350) Ordinary Shares in issue at the year end.

The net asset value per Ordinary Share of 9.51p disclosed in these financial statements is 0.19p higher than the net asset value per Ordinary Share of 9.32p announced on the Company's website on 30 July 2024 due to additional information being received regarding one of the direct loans within the Company's portfolio after that date. This information was considered further evidence of conditions that existed at 30 June 2024. Therefore, the assumptions supporting the impairment calculation were updated, resulting in a £99,000 uplift in the carrying value of the loan.

22. Financial Instruments and Risk Management

The Board manages the Company's portfolio with the intention of realising all remaining assets in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner.

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk from the financial instruments it holds. Risk management procedures are in place to minimise the Company's exposure to these financial risks, in order to create and protect Shareholder value.

Risk management structure

The Board is responsible for identifying and controlling risks and for the overall risk management approach within the Company.

The Company has no employees and is reliant on the performance of third party service providers. Failure by the Consultant, Administrator, Registrar or any other third party service provider to perform in accordance with the terms of its appointment could have a significant detrimental impact on the operation of the Company.

The market in which the Company participates is competitive and rapidly changing. The risks have not changed from those detailed on pages 20 to 30 in the Company's Prospectus, which is available on the Company's website, and as updated in the circular of 20 August 2020.

Risk concentration

Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the Company has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

In a managed wind down, the value of the Portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

22. Financial Instruments and Risk Management *(continued)*
Market risk
(i) Price risk
Price risk exposure arises from the uncertainty about future prices of financial instruments held. It represents the potential loss that the Company may suffer through holding market positions in the face of price movements. At the year end, the Company did not hold any financial instruments that were exposed to price risk (2023: none).

(ii) Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company invests in securities and other investments that are denominated in currencies other than Sterling. Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Company will necessarily be subject to foreign exchange risks.

The impact of foreign currency fluctuations during the year comprised:

	Year ended 30 June 2024 £'000	*Year ended 30 June 2023 £'000*
Movement in unrealised gains and losses on loans due to movement in foreign exchange on non-Sterling loans	(301)	(314)
Net foreign exchange loss	(6)	(1)
Foreign currency loss in the year	**(307)**	**(315)**

As at 30 June 2024, a proportion of the net financial assets of the Company were denominated in currencies other than Sterling as follows:

	Loans and receivables £'000	*Cash and cash equivalents £'000*	*Other payables and accruals £'000*	*Exposure £'000*
30 June 2024				
US Dollars	881	-	-	881
Euros	1,711	-	-	1,711
	2,592	**-**	**-**	**2,592**
30 June 2023				
US Dollars	1,604	-	-	1,604
Euros	2,557	-	-	2,557
	4,161	**-**	**-**	**4,161**

At 30 June 2024, if the exchange rates for US Dollars and Euros had strengthened/weakened by 5% against Sterling with all other variables remaining constant, net assets at 30 June 2024 and the profit/(loss) for the year ended 30 June 2024 would have increased/(decreased) by £136,000/£(123,000) (2023: increased/(decreased) by £219,000/£(198,000)).

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

22. Financial Instruments and Risk Management *(continued)*
Market risk *(continued)*
(iii) Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flow. However, due to the fixed rate nature of the majority of the loans, cash and cash equivalents of £2,064,000 (2023: £4,477,000) were the only interest bearing financial instruments subject to variable interest rates at 30 June 2024. Therefore, if interest rates had increased/decreased by 150 basis points, with all other variables held constant, the change in value of interest cash flows of these assets in the year would have been £31,000 (2023: £67,000).

30 June 2024	*Fixed interest* £'000	*Variable interest* £'000	*Non-interest bearing* £'000	*Total* £'000
Financial assets				
Loans [1]	2,936	-	-	2,936
Other receivables	-	-	138	138
Cash and cash equivalents	-	2,064	-	2,064
Total financial assets	**2,936**	**2,064**	**138**	**5,138**
Financial liabilities				
Other payables	-	-	(136)	(136)
Total financial liabilities	**-**	**-**	**(136)**	**(136)**
Total interest sensitivity gap	**2,936**	**2,064**	**2**	**5,002**
30 June 2023				
Financial assets				
Loans [1]	5,167	-	-	5,167
Other receivables	-	-	246	246
Cash and cash equivalents	-	4,477	-	4,477
Total financial assets	**5,167**	**4,477**	**246**	**9,890**
Financial liabilities				
Other payables	-	-	(160)	(160)
Total financial liabilities	**-**	**-**	**(160)**	**(160)**
Total interest sensitivity gap	**5,167**	**4,477**	**86**	**9,730**

[1] Of the loans of £2,936,000 (2023: £5,167,000), one loan amounting to £1,584,000 (2023: £2,526,000) included both fixed elements and variable elements, based on the performance of the borrowers' underlying portfolios of loans.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

22. Financial Instruments and Risk Management *(continued)*
Market risk (continued)
(iii) Interest rate risk (continued)
The Board manages the Company's exposure to interest rate risk, paying heed to prevailing interest rates and economic conditions, market expectations and its own views as to likely moves in interest rates.

Although it has not done so to date, the Company may implement hedging and derivative strategies designed to protect investment performance against material movements in interest rates. Such strategies may include (but are not limited to) interest rate swaps and will only be entered into when they are available in a timely manner and on terms acceptable to the Company. The Company may also bear risks that could otherwise be hedged where it is considered appropriate. There can be no certainty as to the efficacy of any hedging transactions.

Credit risk
Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company.

At 30 June 2024, credit risk arose principally from cash and cash equivalents of £2,064,000 (2023: £4,477,000), other receivables of £nil (2023: £190,000) and balances due from the platforms and SMEs of £2,936,000 (2023: £5,167,000). The Company seeks to trade only with reputable counterparties that the Board believes to be creditworthy.

The Company's credit risks principally arise through exposure to loans provided by the Company, either directly or through platforms. These loans are subject to the risk of borrower default. Where a loan has been made by the Company through a platform, the Company will only receive payments on those loans if the corresponding borrower through that platform makes payments on that loan. The Board sought to reduce the credit risk by obtaining security on the majority of the loans and by investing across various platforms, geographic areas and asset classes, thereby ensuring diversification and seeking to mitigate concentration risks, as stated in the "risk concentration" section earlier in this note.

The cash pending investment or held on deposit under the terms of an investment instrument may be held without limit with a financial institution with a credit rating of "single A" (or equivalent) or higher to protect against counterparty failure.

The Company may implement hedging and derivative strategies designed to protect against credit risk. Such strategies may include (but are not limited to) credit default swaps and will only be entered into when they are available in a timely manner and on terms acceptable to the Company. The Company may also bear risks that could otherwise be hedged where it is considered appropriate. There can be no certainty as to the efficacy of any hedging transactions.

Please see note 3b and note 4 for further information on credit risk and note 14 for information on the loans at amortised cost.

Liquidity risk
Liquidity risk is defined as the risk that the Company will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The principal liquidity risk is contained in unmatched liabilities. The liquidity risk at 30 June 2024 was low since the ratio of cash and cash equivalents to unmatched liabilities was 15:1 (2023: 28:1).

In a managed wind down, the value of the Portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure and liquidity will be affected accordingly.

Notes to the Financial Statements *(continued)*
for the year ended 30 June 2024

22. Financial Instruments and Risk Management *(continued)*

Capital management

During the year, the Board's policy was to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future operation of the Company. The Company's capital comprises issued share capital, retained earnings, a capital redemption reserve (see note 3(i)), a distributable reserve created from the cancellation of the Company's share premium account and a distributable reserve created from the cancellation of the Company's capital redemption reserve. To maintain or adjust the capital structure, the Company could issue new Ordinary Shares, B Shares and/or C Shares, buy back shares for cancellation, buy back shares to be held in treasury or redeem B Shares. The Company returned capital to Shareholders through the use of a B Share Scheme, which was approved by Shareholders on 23 March 2021 (see note 5).

During the year ended 30 June 2024, the Company did not issue any new Ordinary or C shares, nor did it buy back any Ordinary Shares for cancellation or to be held in treasury (2023: none).

During the year ended 30 June 2024, 5,134,000 B Shares were issued and bought back for £5,134,000 (see note 5) (2023: 1,580,000 B Shares issued and bought back for £1,580,000).

The Company is subject to externally imposed capital requirements in relation to its statutory requirement relating to dividend distributions to Shareholders. The Company meets the requirement by ensuring it distributes at least 85% of its distributable income by way of dividend.

23. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities in existence at the year end (2023: none).

24. Events after the reporting period

There were no significant events after the reporting period.

25. Parent and Ultimate Parent

The Directors do not believe that the Company has an individual Parent or Ultimate Parent, or an ultimate controlling party.

Secured Income Fund plc

(incorporated in England and Wales with registered number 09682883 and registered as an investment company under section 833 of the Companies Act 2006)
*(the **"Company"**)*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that an annual general meeting of the Company (the "**AGM**") will be held at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 2HH on 18 December 2024 at 2:00pm to consider and, if thought fit, to pass the following resolutions which are proposed as ordinary resolutions:

ORDINARY BUSINESS

1. To receive the Company's audited financial statements for the year ended 30 June 2024, together with the Directors' Report and the Independent Auditor's Report on those statements.
2. To re-elect Moore Kingston Smith LLP as auditor of the Company until the conclusion of the next annual general meeting.
3. To authorise the directors to determine the remuneration of the auditor.
4. To re-elect David Clive Stevenson as a Director of the Company.

By order of the Board
SECURED INCOME FUND PLC
28 October 2024

Registered Office:
Level 4, Dashwood House
69 Old Broad Street
London
EC2M 1QS

Notes to the Notice of Annual General Meeting

1 A member entitled to attend and vote at the AGM may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company but it is recommended that you appoint the Chairman of the AGM as your proxy. A Form of Proxy is enclosed which, if used, must be lodged at the Company's Registrars, Link Group, at PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 48 hours before the AGM (ignoring any part of a day that is not a working day), being 16 December 2024 at 2:00pm. To appoint more than one proxy you may photocopy the Form of Proxy. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by looking at 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 being the most senior). The completion and return of the Form of Proxy will not preclude a member from attending the AGM and voting in person. Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

2 Alternatively, you may appoint a proxy online via the Link Investor Centre. Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the Company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Link Investor Centre via a web browser at: https://investorcentre.linkgroup.co.uk/Login/Login.

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3 To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's Register of Members at close of business on 16 December 2024. If the AGM is adjourned then, to be so entitled, members must be entered on the Company's Register of Members at the time which is 48 hours before the time fixed for the adjourned AGM or, if the Company gives notice of the adjourned AGM, at the time specified in that notice.

4 As at 25 October 2024 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 52,660,350 Ordinary Shares, carrying one vote each. There are no shares held in treasury. Therefore, as at 25 October 2024, the total number of voting rights in the Company is 52,660,350.

5 The vote "Withheld" is provided to enable you to abstain on any particular resolution. However, it should be noted that a "Withheld" vote is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.

6 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM 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 or instruction 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. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the 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 is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a 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) 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.

7 Any person to whom this notice of AGM is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

8 Corporate representatives are entitled to attend and vote on behalf of a corporate member in accordance with section 323 of the Companies Act 2006. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporate member) the same powers as the corporate member 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.

9 Members have a right under section 319A of the Companies Act 2006 to require the Company to answer any question raised by a member at the AGM, which relates to the business being dealt with at the meeting, although no answer need be given: (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.

10 A copy of this notice of AGM, and other information required by section 311A of the Companies Act 2006, can be found at www.securedincomefundplc.co.uk.

11 To be passed, an ordinary resolution requires a simple majority of the votes cast by those members voting in person or by proxy at the AGM (excluding any votes to be withheld) to be voted in favour of the resolution.

12 To be passed, a special resolution requires a majority of at least 75% of the votes cast by those members voting in person or by proxy at the AGM (excluding any votes to be withheld) to be voted in favour of the resolution.

FORM OF PROXY
Secured Income Fund plc

*(Incorporated in England and Wales with company no. 09682883 and registered as an investment company under section 833 of the Companies Act 2006) (the "**Company**")*

This Form of Proxy is for use by holders of Ordinary Shares in the Company at an annual general meeting of the Company (the "**AGM**") to be held at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 2HH on 18 December 2024 at 2:00pm for the purpose of considering and, if thought fit, passing the resolutions set out in the notice dated 28 October 2024 convening the AGM (the "**Notice**").

I/We…………………………………………………………………………………………………
(full name(s) of registered member(s) in block capitals) (See note 7 overleaf)
of
……………………………………………………………………………………………………

……………………………………………………………………………………………………
(address in block capitals)

being a member/members of the Company, hereby appoint the Chairman of the AGM
(See note 3 overleaf)

or,
……………………………………………………………………………………………………
of
……………………………………………………………………………………………………

……………………………………………………………………………………………………
(name and address of proxy in block capitals)

as my/our proxy to attend and speak, and on a poll, vote in my/our name(s) and on my/our behalf at the AGM of the Company to be held at the offices of Elysium Fund Management Limited, 1st Floor, Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey, GY1 2HH on 18 December 2024 at 2:00pm and at any adjournment thereof.

I/We wish my/our proxy to vote as I/we have indicated below in respect of the resolutions to be proposed at the AGM, as set out in the notice convening the AGM.

Please indicate which way you wish your proxy to vote by ticking the appropriate box alongside each resolution. (See note 4 overleaf).

RESOLUTIONS

		FOR	AGAINST	VOTE WITHHELD
1	To receive annual report and accounts.			
2	To re-elect Moore Kingston Smith LLP as auditor.			
3	To authorise the directors to determine auditor's remuneration.			
4	To re-elect David Stevenson as a Director.			

Signature ……………………………………………… *(See note 7 below)*

Date ……………………………………… 2024

Print Name ………………………………………………

NOTES:

1. A member of the Company who is entitled to attend, speak and vote at the AGM is entitled to appoint one or more proxies to attend and to speak and on a poll to vote in his or her place. A proxy need not be a member of the Company. Completion of the Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the AGM in person and vote, your proxy appointment will be automatically terminated. Only those members entered on the Company's register of members at close of business on 16 December 2024 shall be entitled to attend, speak and vote at the AGM or any adjournment.

2. To allow effective constitution of the meeting, if it is apparent to the Chairman that no members of the Company will be present in person or by proxy, other than the Chairman, then the Chairman may appoint a substitute to act as proxy in his stead for any member of the Company, provided that such substitute proxy shall vote on the same basis.

3. If you wish to appoint as your proxy someone other than the Chairman of the AGM, cross out the words "the Chairman of the AGM", and write on the dotted line the full name and address of your proxy. The change should be initialled. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he or she thinks fit on any resolution and, unless instructed otherwise, the person appointed proxy may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to any resolution) which may properly come before the AGM.

5. On a poll you have one vote in respect of each eligible share you hold. You do not have to cast all of your votes in the same way and if you wish to split your votes you can enter the number of votes you wish to vote for, against and withhold in the boxes next to each resolution. The total number of votes must equal the total number of votes you hold. If you simply enter a tick in one of the boxes for a resolution you will be deemed to vote all your votes in that way.

6. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for or against the relevant resolution.

7. This form must be signed and dated by the Shareholder or his/her attorney duly authorised in writing. If shares in the Company are held by a nominee(s), a Form(s) of Proxy must be completed and signed by the nominee(s). If the Shareholder is a company, it may execute under its common seal, by the signature of a director and its secretary or two directors or other authorised signatories in the name of the company or by the signature of a duly authorised officer or attorney. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding (the first-named being the most senior).

8. To appoint more than one proxy to vote in relation to different shares within your holding, you may photocopy this form. Please indicate on each copy of the form the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the appointment of a proxy is one of multiple appointments being made. All such forms should be signed and returned together in the same envelope.

9. This form must be completed and lodged with Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL together with the power of attorney or other authority (if any) under which it is signed or a copy of such authority certified notarially, no later than 2:00pm on 16 December 2024.

10. CREST members may alternatively choose to utilise the CREST electronic proxy appointment service. Please refer to the notes to the notice convening the AGM for instructions with regard to submitting a CREST proxy instruction.

11. Alternatively, you may appoint a proxy online via the Link Investor Centre app or by accessing the web browser at https://investorcentre.linkgroup.co.uk/Login/Login.

Directors

David Stevenson (Non-Executive Chairman)
Brett Miller (Executive Director)

Advisers

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EC2M 1QS

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Guernsey
GY1 3JX

Bankers
Royal Bank of Scotland International Limited
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Auditor
Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP

Registrar
Link Group
PXS1, Central Square
29 Wellington Street
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LS1 4DL

www.securedincomefundplc.co.uk