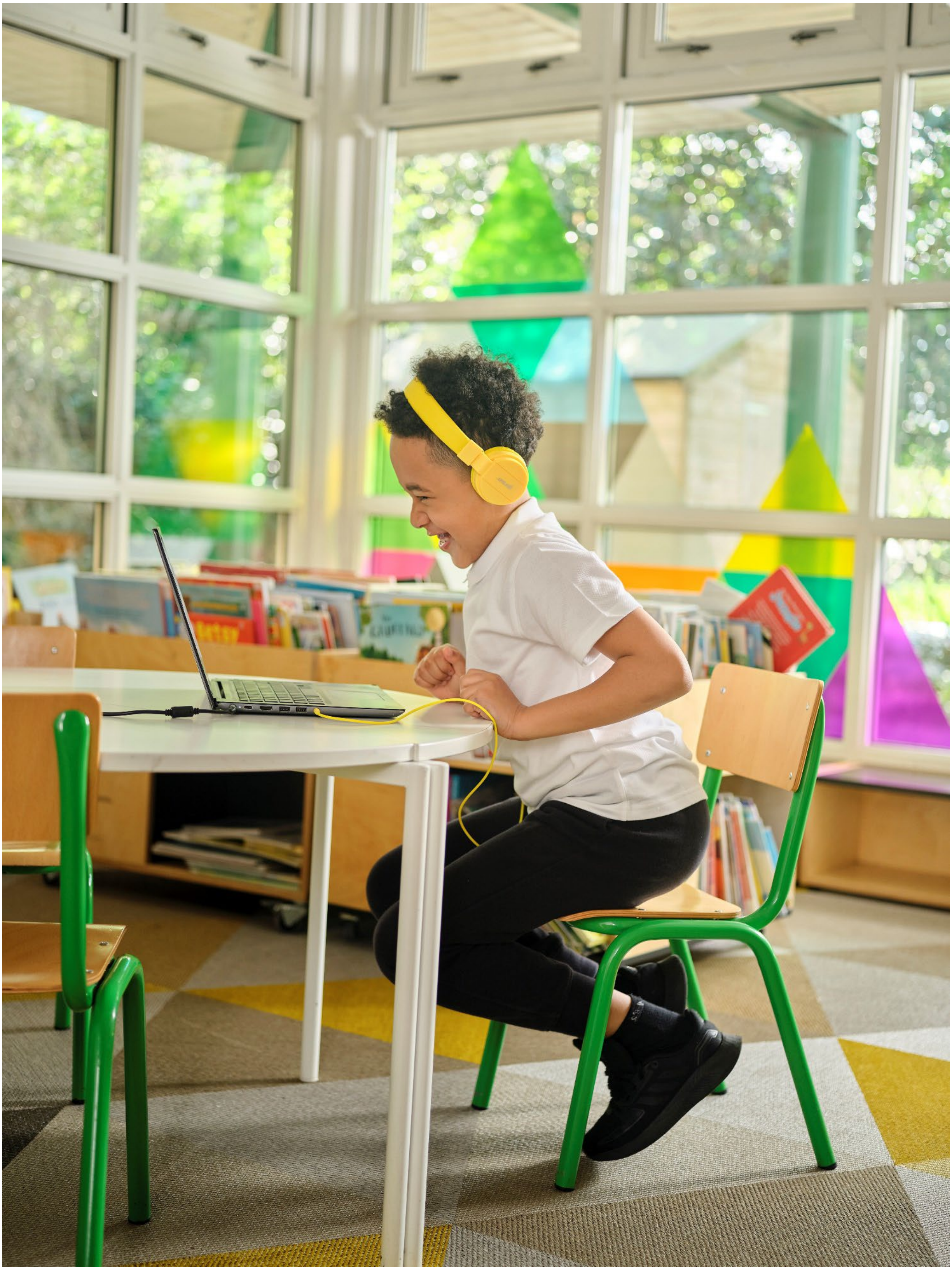
LITERACY CAPITAL

Unaudited Interim Results for Literacy Capital plc

For the six months ended 30 June 2024



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Throughout the Report and Financial Statements, Literacy Capital plc is also referred to as “Literacy”, “Literacy Capital”, the “Company”, or “BOOK”

Performance Highlights

Focus on helping to build great businesses to generate superior returns

- **NAV per ordinary share of 522.6p**[1] (31 December 2023: 500.4p; 30 June 2023: 488.5p)
  - Net assets of **£313.6m**[1], an increase of **4.4%** in the six months to 30 June 2024
  - Over the same period, **BOOK's share price increased 9.9%**, compared to a 5.8% increase for the FTSE Investment Company Index and a 7.4% increase for the FTSE All-Share

- **Cash inflows in the six-month period remained strong and consistent with recent periods, reflecting the active management of the portfolio**
  - **£25.0m of cash received in H1 2024**, which matched the record amount received in H2 2023, and exceeded the £21.3m received in H1 2023
  - This was achieved without selling any portfolio companies, with the majority of cash proceeds received following the refinancing of a portfolio company announced in April

- **Literacy continued deploying capital into new opportunities and the existing portfolio, remaining focused on investments into smaller, profitable businesses based in the UK**
  - **A new investment completed in March 2024**, with BOOK taking a significant minority stake in Live Business Group, a founder-led business providing entertainment solutions to travel operators
  - On top of this new investment, Literacy has continued to deploy capital into existing portfolio companies, whilst supporting and strengthening the management teams of these businesses

- **In June 2024, Literacy celebrated its third anniversary since the fund's listing. During this three-year period, BOOK's NAV performance ranked the fund #1 out of all UK-listed investment companies**
  - The fund delivered uplifts to NAV of more than **47% per annum compound** in the three years to June 2024, a pleasing level of performance over the medium term
  - The focus remains on the same type and size of investments that have been successful for Literacy since its inception, despite the increased scale of the fund

- **Increasing charitable donations, helping disadvantaged children across the UK learn to read**
  - **£1,429k of charitable donations** provided for in H1 2024, up 7% on the same period in 2023, as a result of the fund's growth in NAV
  - Total donations now **amount to £10.0m** since inception of Literacy Capital

Performance to 30 June 2024

% total return	6 months	1 year	3 years	Since Admission[2]	Since Inception[3]
BOOK net asset value	**4.4%**	**7.0%**	**185.5%**	**225.4%**	**480.7%**
BOOK share price	**9.9%**	**12.7%**	**n/a**	**229.7%**	**n/a**
FTSE Investment Company Index	5.8%	14.1%	(2.2)%	(2.1)%	45.1%
FTSE All-Share Index	7.4%	13.0%	23.9%	22.3%	35.1%

[1] The NAV & NAV per share figures include the impact of the warrants in issue. The calculation is shown in 'Alternative Performance measures', page 33
[2] BOOK was admitted to the London Stock Exchange on 25 June 2021
[3] Inception date treated as 30 April 2018. £54 million of capital raised

Comparison to prior periods

	At 30 June 2024	At 31 December 2023
Net asset value (£m)	£313.6m[1]	£300.3m[1]
NAV per ordinary share (pence)	522.6p[1]	500.4p[1]

	Six months to 30 June 2024	Six months to 30 June 2023
Capital invested (£m)	£17.8m	£19.4m
Cash realised (£m)	£25.0m	£21.3m
Charitable donation provision (£k)	£1,429k	£1,334k

[1] The NAV & NAV per share figures include the impact of the warrants in issue. The calculation is shown in 'Alternative Performance measures', page 33

Helping to build great businesses

Our purpose is to invest in and support predominantly UK-based companies and to help their management teams achieve long-term success. Our closed-ended, permanent capital structure means we can be a long-term, highly ambitious and flexible partner. We are focused on smaller businesses, where our expertise can greatly enhance the size and value of these companies, contributing to superior returns for BOOK shareholders. We are also proud to have a charitable mission helping disadvantaged children in the UK learn to read, giving them a fair chance in life.

Comment from the Investment Manager

Richard Pindar, CEO of the Investment Manager and Director of Literacy Capital plc:

"We are pleased that BOOK has continued to grow NAV in H1, increasing 4.4% in the six months, whilst also continuing to generate positive returns for shareholders, with the share price rising 9.9%. Whilst slower growth than BOOK's performance in previous periods, this is against a backdrop of domestic macroeconomic conditions that have been noticeably weaker for UK businesses.

We do not expect macroconditions to improve immediately for all businesses and nor do we expect progress within portfolio companies to be linear, but there are signs that trading conditions generally are improving. This should bode well for the portfolio as a whole over the medium term.

In June 2024, Literacy Capital celebrated its third anniversary since its listing. Over this period the fund was ranked #1, with its NAV performance being comfortably ahead of all other UK-listed investment companies. Whilst a relatively short period of time, we are satisfied by this early performance and feel it further underpins our strategy of focusing on smaller businesses that are poorly served or ignored by traditional private equity funds, as well as the benefits that our fund structure can deliver to portfolio companies and BOOK's shareholders. We believe it is worth continuing to emphasise these points, as they are still not widely understood by the market.

Two significant exits were achieved in 2023, realising substantial cash and NAV uplifts for the fund, and strong cash inflows have continued in H1 2024. The expectation is that this will continue in H2 2024 and 2025 but the outcome of these transactions is binary, given the nature of selling private businesses. As a result of Literacy's fund structure and lack of financial incentives to crystallise gains compared to traditional private equity, we are able and willing to be patient to get the best outcome for BOOK's shareholders.

Whilst uncertainty within the UK economy remains, we are appraising a healthy number of new investment opportunities where Literacy has the opportunity to deploy capital on sensible terms in interesting businesses with driven founders and where we can add significant value to these companies."

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Chairman's Statement

Since its formation, Literacy Capital has consistently pursued three core objectives. The first is to build significant value for shareholders. The second is to invest our time and expertise to work constructively and collegiately with our management teams to build outstanding UK based companies. And our third objective is to use our financial success to support our charitable mission to help disadvantaged children in the UK learn to read.

The six month period to 30 June 2024 has been another period of good progress against each of our objectives and I will review each in turn.

Over the six months to 30 June 2024, our NAV per ordinary share has grown from 500.4p to 522.6p, an increase of 4.4%. Over the same period, our share price rose from 480p to 527.5p, an increase of 9.9%. This compares to an increase of 7.4% in the FTSE All-Share Closed End Investment Trust Index.

But, more importantly, Literacy Capital was created to be a patient investor and to take a long term view. This is the basis upon which we like to be judged. During the period, Literacy Capital celebrated its 3rd anniversary since listing in June 2021. The fund's NAV performance over the 3 year period ranked it #1 of all UK listed investment companies. Our share price has increased at an annual compound rate of 49% over the 3 year period.

Our investment strategy is to find fundamentally sound businesses but where there is potential to improve them – often materially. Our role includes building and strengthening management teams, supporting expansion through M&A and frequently acting as mentors and advisers to our management colleagues. Today, we have 19 businesses in our portfolio, led by able and committed management teams. The majority of the portfolio is performing well and this is illustrated by the fact that our top 10 investments still continue to deliver strong year-on-year revenue growth.

Macro conditions in the UK for the smaller companies sector have been challenging over the last 12 months and some of our businesses have faced headwinds. We have responded swiftly by strengthening teams in a number of our businesses and we are delighted by the calibre of the individuals we have been able to attract. This factor illustrates the attractiveness of the model that we have created at Literacy Capital.

Our fund is called Literacy Capital because we want to help every disadvantaged child in the UK to learn to read. Every year, we have donated 0.9% of NAV to literacy charities in the UK. Total donations since the creation of Literacy Capital now total £10m.

Our principal partnership is with Bookmark Reading. The charity operates from the same offices as Literacy Capital and is efficient, effective and ambitious. Over the next 3 years, 500,000 children will benefit from a Bookmark programme across 1,000 schools, by improving reading levels and engagement on both a one to one and whole school level. These are significant numbers and we appreciate our shareholders support in this mission.

Literacy Capital's prospects for the next 12 months are encouraging. We are shareholders in some fine businesses which are well led. We remain very confident that shareholders will continue to enjoy long term value creation.

Paul Pindar
Chairman, Literacy Capital plc

27 August 2024

Investment Manager's Report

BOOK Performance Highlights For The Six Months Ended 30 June 2024

522.6p NAV per ord. share[1] (31 Dec 23: 500.4p)	**£313.6m** £m NAV[1] (31 Dec 23: £300.3m)
£17.8m Capital invested (6 months to 30 Jun 23: £19.4m)	**£25.0m** Cash realised (6 months to 30 Jun 23: £21.3m)
+9.9% Shareholder total return (6 months to 30 Jun 23: 27.2%)	**£1,429k** Charitable donation provision (6 months to 30 Jun 23 : £1,334k)

[1] The NAV & NAV per share figures include the impact of the warrants in issue. The calculation is shown in 'Alternative Performance measures', page 33

BOOK Performance Overview

We are content with the performance delivered by BOOK in the first six months of 2024, given the NAV uplift and share price performance in the period when UK macroeconomic conditions have been relatively challenging and impacted growth in some portfolio companies. Literacy's realisation and investment activity has also remained buoyant and consistent with long-stated objectives.

NAV closed at £313.6 million on 30 June 2024, or 522.6p per share, representing an uplift of 4.4% in the six months since 31 December 2023. Over the same period the share price grew 9.9% from 480.0p to 527.5p.

In June 2024, BOOK celebrated its third anniversary since listing on the London Stock Exchange. Pleasingly, BOOK's NAV performance over this period was stronger than all other UK listed investment companies, and it was the only investment company to achieve annualised NAV uplifts in excess of 40% per annum. This early performance is reassuring and provides evidence of the structural benefits for shareholders of Literacy's approach.

One new investment was completed in March 2024, with the transaction involving Live Business Group ("Live"), which had many familiar characteristics of prior investments completed by Literacy. Live is a leading international entertainment supplier to the travel, tourism and leisure industry and is run by its founders, Mark Dixon and Dan Lock, who set the business up in 2015.

Cash inflows remained very strong in the period, with £25.0m received, of which £18.5m related to a refinancing of a portfolio company that was announced in April. As the portfolio matures, several companies are becoming more attractive to potential acquirors, with these businesses continuing to receive inbound interest. It is expected that certain portfolio companies will be sold in the next twelve months, which will generate further meaningful cash inflows for BOOK.

RCI has historically been a very strong performer for the fund and this continued in H1 2024. Other, smaller portfolio companies also contributed positively to NAV, such as Velociti, Live Business Group, Wifinity and Cubo. These businesses grew and traded strongly in the period, and we are excited by their momentum.

Conversely, Techpoint was the weakest contributor in the first six months of 2024, as a result of soft trading performance and earnings in the period, caused by weaker market conditions and operational issues within the business. Several changes to the senior team were made to address this, which is now significantly stronger, more complete and more experienced. It will take some time for these changes to feed into improved performance and for Techpoint to contribute to uplifts for the fund.

Breakdown of Net Asset Value at 30 June 2024

Companies / assets	Date of Investment	Carrying value	*% of NAV*
RCI Health Group Provider of healthcare and specialist clinical services	Sep 18	£99.5m	*31.7%*
Grayce Recruits, trains and deploys graduates into large corporates	Jul 18	£44.3m	*14.1%*
Oxygen Activeplay Operator of trampoline and adventure parks	Jul 21	£22.9m	*7.3%*
Techpoint Outsourced supply chain management of electronic components	Jun 20	£22.0m	7.0%
Cubo Work Regional provider of office and co-working space	May 23	£19.0m	*6.1%*
Top 5 investments		**£207.6m**	***66.2%***
Antler Homes Housebuilder in the Southeast of England	Jun 18	£18.3m	*5.8%*
Wifinity Wi-fi provider to hard-to-reach campus locations	Dec 17	£17.4m	*5.6%*
Velociti Software and consulting business to the public transport sector	Feb 20	£11.0m	*3.5%*
Halsbury Travel School travel operator	Jun 22	£10.3m	*3.3%*
Hanmere Manufacturer of polythene packaging products	Dec 17	£10.1m	*3.2%*
Top 10 investments		**£274.7m**	***87.6%***
Other direct investments		£38.6m	*12.3%*
Private equity fund interests		£11.9m	*3.8%*
Borrowings (incl. donation provision & impact of warrants)		£(11.7)m	*(3.7)%*
Net asset value		**£313.6m**	***100%***

Portfolio Company Overview

BOOK’s portfolio companies have delivered reasonable growth in the period, with momentum becoming more encouraging as 2024 has progressed. Some companies were affected more than others by less favourable macroeconomic and trading conditions in 2023 and the early part of 2024, which weighed on performance as a whole, but leading indicators for the future are more encouraging.

Across BOOK’s top ten investments, revenue increased 25% year-on-year on a weighted average basis, with EBITDA growing 11% across the same period. Whilst the performance of some of BOOK’s largest holdings (particularly Techpoint) dampened growth rates and NAV uplifts overall, given their significant weightings, it is encouraging to see the strong performance of smaller or more recent investments beginning to flourish. The performance of Velociti, Live Business Group, Wifinity and Cubo are all worth highlighting, as well as the continued strong performance of BOOK’s largest asset, RCI.

Headcount across Literacy’s ten largest investments on 30 June 2024 was 4,211. A year earlier, the same ten investments’ headcount totalled 4,026, demonstrating the impact these companies are continuing to have on their communities and the additional opportunities that they are creating. These figures and this track record of investment and job creation is important to us. Given the concerns that many business owners have when they consider selling their business, this emphasis on supporting growth and the strong evidence we are able to demonstrate, is important to them too.

BOOK’s portfolio remains concentrated, albeit the five largest assets equated to less than two thirds of the portfolio on 30 June 2024, primarily as a result of the refinancing that was announced in April. We remain very relaxed and content with this degree of concentration, as explained in the section below.

Leverage, on a weighted average basis at a portfolio company level, was higher than recent periods, as a result of the significant portfolio company refinancing announced in April 2024, but remains modest at 2.7x EBITDA compared to leverage typically used by private equity fund managers. This is deliberate to provide greater freedom to BOOK’s portfolio companies to focus on growth, rather than being restricted by financial covenants or debt repayments. Sales growth and business improvement is our priority, rather than financial engineering. This means that whilst higher interest rates will inevitably have an impact on the UK economy and portfolio companies, their more prudent approach to debt makes BOOK’s portfolio companies less sensitive to higher interest costs.

Top Five Investments

BOOK’s portfolio remains relatively highly concentrated, with the five largest investments amounting to 66.2% of net assets on 30 June 2024. This figure for the fund’s five largest assets is the lowest proportion of total net assets since the end of 2021. This reduction is a result of the significant refinancing which was announced in April 2024, as well as the negative contribution from three of BOOK’s largest five holdings.

The Investment Manager remains very happy to have a concentrated portfolio and this preference towards holding successful investments has enabled the fund to outperform strongly since it listed in 2021. A high degree of knowledge and control is held over these assets, which includes receiving management information from the companies frequently. It also involves being able to influence and select key members of management in these companies, as demonstrated by the changes at Grayce and Techpoint in the first half of 2024. This degree of knowledge and influence is far greater than investors could hope to achieve investing in listed businesses.

The contribution from some of the fund’s largest assets has been weaker than previous periods. Generally, this has been as a result of weaker market conditions, which impacted trading performance and growth in the period; Grayce, Oxygen and Techpoint all individually detracting from the fund’s NAV performance. Given their relatively significant weighting, this has dampened the overall NAV return that the fund has been able to deliver in the first half of 2024.

It would be difficult for the fund to deliver outperformance by consistently selling larger assets or rebalancing the portfolio continuously. Despite this, the Investment Manager proved again in the period that it is willing and able to actively manage the portfolio to generate cash and recycle these proceeds into new investment opportunities, whilst also rebalancing the portfolio to a degree.

Given Literacy typically allocates relatively modest sums into new investments, it is natural that the majority of the fund's largest holdings are comprised of earlier, more mature investments. That said, several more recent investments are developing well and would be expected to follow Cubo's example, growing to become more substantial holdings for the fund.

Company	Date of Investment	30 Jun 2024 carrying value	30 Jun 2024 % of NAV	Total cash realised	Carrying value + cash realised	Net return generated since 31 Dec 2023
RCI Group	Sep 18	£99.5m	31.7%	£21.9m	£121.4m	£17.1m
Grayce	Jul 18	£44.3m	14.1%	£9.9m	£54.2m	(£3.6m)
Oxygen	Jul 21	£22.9m	7.3%	-	£22.9m	(£0.8m)
Techpoint	Jun 20	£22.0m	7.0%	£0.0m	£22.0m	(£6.5m)
Cubo Work	May 23	£19.0m	6.1%	£2.4m	£21.4m	£3.5m

RCI Group – www.rcigroup.co.uk

RCI's divisions provide a range of services to the NHS, custodial settings and the courts, as well as within community care. Their areas of expertise include criminal and family justice, forensic healthcare, community mental health & care, and data and technology.

BOOK's original investment in September 2018 helped two of the four founders achieve their retirement plans. To ease this transition and ensure the business had strong leadership, a new CEO and CFO joined the business at completion of the transaction. Since 2018, the senior team has been continually strengthened with the arrival of a Business Development Director, Chief Commercial Officer and Chief Growth Officer, to create a strong leadership team and platform for growth.

RCI Group has focused on both organic growth opportunities and acquisitions. In H1 2024, RCI made two further acquisitions, taking the total number of businesses it has acquired to seven. These have broadened RCI's expertise, customer base and service offering. Greater investment in data analytics and technology has also allowed the group to provide better value and insights to its clients.

RCI has continued to perform strongly in 2024, with the group's proforma revenue now exceeding £100 million, up from £15 million in 2018 when BOOK invested.

Grayce – www.grayce.co.uk

Grayce recruits, trains and employs graduates from top universities for deployment into large corporates, providing the graduates that they hire with high-quality training, employment and experience. The model offers clients access to a wider pool of talent than they may be able to attract themselves, plus enables the individuals to receive the best and most appropriate training for the roles.

The original transaction in July 2018 was to facilitate the exit and retirement of the two founders; one immediately and the other approximately 18 months post-investment. BOOK's investment helped to achieve this and a broader leadership team was built to facilitate a smooth transition and long-term growth. Today, Grayce's senior team is comprised of several new hires with additional experience and the organisation has been redesigned to manage a larger business.

Market conditions in the last 18 months have been weaker than previous years. Whilst Grayce was marked down slightly in H1 2024, the company has been able to outperform larger peers, who have announced relatively weak results. To position the business for better performance in the future, further changes to Grayce's management team and sales team have been made.

Oxygen Activeplay – www.oxygenactiveplay.co.uk

Oxygen is an operator of indoor trampoline and activity parks, which provide fun, physical activities and parties to toddlers and children. The activities include trampolines, climbing walls, high ropes and soft play. The parks are designed with parents in mind and include cafes and lounges for them to enjoy whilst watching their children play.

Literacy's investment in July 2021 was to re-capitalise and invest in the business following its re-opening after the pandemic induced closures in 2020 and the early part of 2021. When Literacy invested, Oxygen had four sites, with the investment being used to enhance the offering at Oxygen's existing sites, as well as opening or acquiring new ones.

Growth initiatives are focused on opening new sites, improving existing ones and driving like-for-like sales growth. One new site opened, in Clifton Moor, York, taking the total number of sites in the group to 12 on 30 June 2024.

Techpoint – www.techpoint.co.uk

Techpoint is a group of companies, that provide outsourced supply chain management of electronic components for manufacturing businesses.

Literacy Capital's initial investment was into Vanilla Electronics in June 2020. Vanilla was founded in 2002 by a father-and-son team. The father was looking to exit and sell his stake in the business, while the son wanted to partially de-risk, and have a partner with the ability to assist him in developing the business organically and, for the first time, through acquisition. Since BOOK's original investment, the group has rebranded as Techpoint and made four acquisitions, with the most recent acquisition occurring in the first half of 2024. Gemini Tec, a printed circuit board manufacturer and assembler based in Aldershot was acquired in March 2024, adding further breadth to the group's offering.

Techpoint experienced relatively difficult trading conditions and reduced profitability in 2023, caused by weaker market conditions and operational issues, which continued into the first half of 2024.

As a result, Techpoint was marked down in the period in line with weaker earnings. Several changes to the senior team have recently been made and we are pleased with the strength and experience of the team that is now in place. It will take time for these changes to result in improved profitability.

Cubo Work – www.cubowork.com

Cubo is a provider of office and co-working space outside London, offering bespoke workspaces that meet the needs of businesses in the best locations and buildings on offer in their cities.

Cubo was founded in 2019, by husband-and-wife property investors, Marc and Rebecca Brough. The offering was successful and they expanded into several cities in the Midlands and Yorkshire, rapidly becoming the location of choice for many SMEs and larger blue-chip corporates. Beyond Cubo's initial growth, the team also had a pipeline of new sites that they were looking to fit out and open. Literacy first invested in May 2023, when Marc and Rebecca were looking for a partner to help grow the business into a substantial, national provider. Cubo's strategy was to continue to roll out new sites, focusing on key regional locations and prime locations within these cities.

Since Literacy invested, the number of sites that Cubo has occupied has grown from 5 to 15, with several more due to be opened in H2 2024. Trading performance in the first half of 2024 has been very strong, with the business seeing impressive occupancy rates and sales of desks across its estate. Cubo continues to seek new sites as strong inbound interest persists from companies wishing to become members and having greater flexibility than afforded by having longer leases directly with landlords of office space.

Movement in the Portfolio

The following table shows the movement in the portfolio during the six-month reporting period, compared to the same period a year earlier.

£m	6 months to 30 June 2024	6 months to 30 June 2023
Opening Investments	**315.1**	**270.6**
Direct investments	17.4	18.8
Fund drawdowns	0.4	0.0
Total new investments	**17.8**	**18.8**
Proceeds from direct investments	(21.8)	(20.9)
Proceeds from fund investments	(3.2)	(0.4)
Cash proceeds received	**(25.0)**	**(21.3)**
Change in deferred consideration owed	(0.5)	-
Valuation Movement	**17.8**	**44.8**
Closing Investments	**325.3**	**312.8**
Valuation Movement % (of Opening Investments)	*5.7%*	*16.6%*

New Investments

£17.8 million was invested in the six months to 30 June 2024, which was broadly consistent with the amount of capital deployed in the first six months of 2023 (£19.4m in H1 2023). A proportion of these funds were used to complete the transaction involving Live Business Group, a new platform investment completed in March 2024, as well as to support the existing portfolio companies.

The minority investment into Live Business Group, a founder-led provider of entertainment solutions to travel, tourism and leisure operators completed in March 2024. The two founders are continuing in their respective roles and BOOK's investment will support their ambitious plans to expand Live further in their growing end-markets.

In addition to this new investment, capital was also used to support Techpoint with its most recent acquisition of Gemini Tec, a business based in Aldershot and the fourth bolt-on acquisition for the group. Separate to this, smaller amounts of incremental capital were invested into other portfolio companies to support their growth, or for capital expenditure or working capital purposes.

£0.4m was invested into Literacy's third party fund commitments in the period. We expect fund drawdowns to be minimal moving forwards.

Realisation Activity

Cash receipts in the six months to 30 June 2024 amounted to £25.0 million, which was 17% higher than the £21.3 million received in the first half of 2023, which was also a strong period for inflows. The largest contribution was from the refinancing of one of BOOK's larger assets, which returned £18.5 million in March 2024, with the balance of the proceeds coming from smaller returns of capital from other direct investments and third party fund investments.

No portfolio companies were sold in the first six months of 2024, but several of BOOK's portfolio companies remain of interest to prospective acquirors. We expect inflows to remain buoyant during the rest of 2024 based on potential M&A activity and improving M&A markets.

Balance Sheet and Financing

BOOK has a Revolving Credit Facility ("RCF") with Investec Bank plc. The RCF gives Literacy greater flexibility to fund new investments and support its existing portfolio companies, whilst also allowing BOOK to remain more fully invested, reduce cash drag and improve returns for shareholders.

BOOK's drawings under its RCF stood at £6.4 million on 30 June 2024 (£9.4m on 31 December 2023), equating to 2.1% of net assets. The term of this facility expires in December 2024 and the fund has received proposals from several lenders to extend the term of this facility.

£m	30 June 2024	31 December 2023
Investments	325.3	315.1
Cash	1.4	0.3
Donation Provision	(4.1)	(3.3)
Other working capital	(2.5)	(2.4)
Borrowings	(6.4)	(9.4)
Accrued interest on borrowings	(0.1)	(0.1)
Net assets	**313.6**[1]	**300.3**[1]

[1] The NAV & NAV per share figures include the impact of the warrants in issue. The calculation is shown in 'Alternative Performance measures', page 33

Undrawn Fund Commitments by Currency Exposure

The table below shows outstanding obligations to BOOK's four fund commitments. The balance at 30 June 2024 amounted to £2.0 million, however we expect less than half of this to be called, given the age and pattern of drawing by these funds.

Regardless of whether the full £2.0 million is called or not, BOOK can comfortably fund these drawdowns from existing headroom in its RCF.

£m	30 June 2024	31 December 2023
Sterling	0.1	0.1
Euro[2]	1.0	1.4
US Dollar[2]	0.9	0.9
Total	**2.0**	**2.5**

[2] Foreign currencies were converted to GBP at the prevailing rates on the reporting date

Activity Since the Period End

Since 30 June 2024, BOOK has made one new platform investment into Campfire Group, a leading marketing agency specialising in the provision of technology-led influencer marketing services. The investment was made for a significant minority stake to support and accelerate Campfire's growth under the founders' continued leadership.

Also since the period end, BOOK made £0.8m of further investment into two existing portfolio companies, and received the final £1.5m from the refinancing of the portfolio company which was announced in April.

All of these events are non-adjusting events at 30 June 2024.

Outlook

We remain optimistic that BOOK can continue its record of consistent growth and outperformance that it has achieved since its listing in 2021. Whilst there have been obvious challenges for businesses operating in the UK over the last 12 to 18 months, there are signs that these difficulties are reducing. As interest rates are lowered, this should have a relatively swift and noticeable positive impact on demand from UK businesses and consumers, who reduced their spending in recent times.

We are confident that whilst progress is unlikely to be achieved overnight, BOOK's portfolio companies and their management teams are well-positioned and well-resourced to grow and take market share in the short to medium term. With patience, we expect these companies to become attractive and sought after targets for prospective acquirors. We maintain close contact and relationships with the management teams and are able to make any changes to the companies' strategic plans should any adjustments be necessary.

Literacy's focus in future new investments will be unchanged. Despite the fund's growth, continuing to invest in smaller founder-owned businesses that are looking for the support that Literacy has demonstrated it can provide, will remain the fund's investment focus. This part of the market and these types of situations or businesses are often considered less interesting or too small by larger, traditional private equity funds. As a result, Literacy is able to remain very selective and able to access some high quality investment opportunities that possess significant upside.

We are also incredibly proud of the unique impact that BOOK has been able to have as an investment company in supporting different children's literacy charities. In the six months to 30 June 2024, thousands of children in the UK have benefited and experienced improved educational support due to BOOK's charitable donations. Charitable donations in the six month period amounted to almost £1.5m, and we are delighted that as the Company continues to grow, it will be able to support an increasing number of disadvantaged children.

Charitable Mission

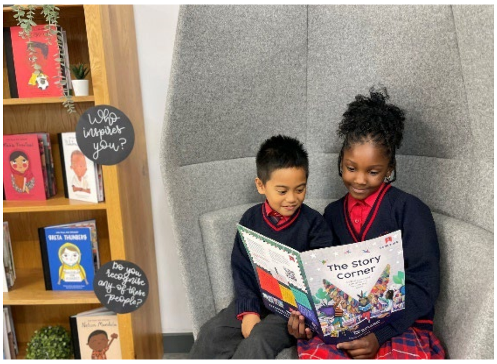
In addition to Literacy Capital plc's investment objectives and strategy, it also has a charitable mission.

Literacy Capital plc makes an annual donation equivalent to 0.9% of the Company's net asset value at each year end, thereby providing consistent, long-term and growing charitable donations as the Company increases in size. In the first six months of 2024, the provision for donations to charities focused on improving literacy amounted to £1.4 million.

Since the creation of Literacy Capital in 2017, £10.0 million in total has either been paid or set aside for donation. The aim is to advance the education of children in the United Kingdom, in particular by promoting or supporting the development of reading.

Annual charitable donation provision (£k)	
2018	£532k
2019	£621k
2020	£772k
2021	£1,527k
2022	£2,314k
2023	£2,759k
2024 (first 6 months)	£1,429k
Total charitable donation provision	**£9,954k**

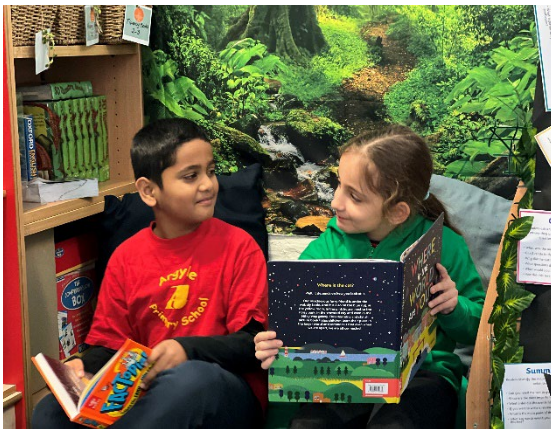
Over the past six years, Literacy Capital plc has provided donations to a number of literacy charities, of which Bookmark Reading Charity has been a primary beneficiary. Bookmark is a children's literacy charity that takes a digital-first and impact-driven approach to partnering with schools in disadvantaged regions of the UK. Their holistic model addresses literacy needs at a pupil, school and community level. Alongside providing vital one-to-one reading support to pupils aged 5-10 who are at risk of falling behind, Bookmark also implements several initiatives to help schools increase reading engagement. Through the provision of book packs, reading materials, teacher training grants and other literacy resources, Bookmark helps schools develop rich reading cultures that engage and inspire young readers. Through these programmes, Bookmark aims to ensure that all children develop the reading ability, confidence and enjoyment they need for a fair chance in life.



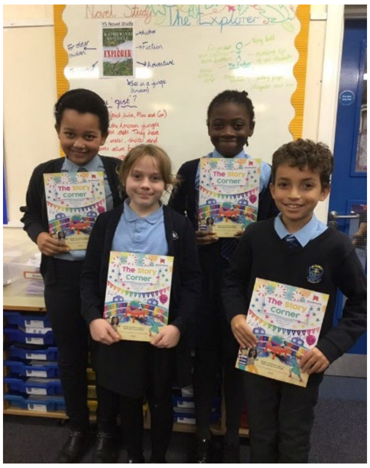
Funding from Literacy Capital plc has enabled Bookmark to scale their core reading programme, facilitating broader access for more children to receive the benefits of additional reading support. This year, Bookmark celebrated their 100,000th one-to-one reading session, with teachers consistently reporting notable improvements across reading confidence, enjoyment and skill among children on the programme.

"Five out of seven Year Four children have made greater than expected progress, including one boy who has made nearly an extra year's progress in reading."

By identifying areas of high literacy need and child deprivation, Bookmark ensures that Literacy Capital's investment reaches the schools and pupils most in need. This year, with Literacy Capital's support, Bookmark's Your Story Corner project expanded into Sheffield, Barking and Dagenham and Wolverhampton. By July 2025, Bookmark will have gifted 45,600 books and 134,500 copies of their termly Story Corner magazine, supporting 227 state funded primary schools across these three regions. These resources help struggling schools re-vamp their libraries and ensure that pupils in disadvantaged regions have access to high quality reading materials over the holidays. Following our Your Story Corner delivery in Sheffield, Teacher Daisy commented that:



"It's very hard to have enough books, to get good books and lots of books into every classroom... having an injection of a new kind of very well-chosen stock that reflects current priorities around representation both in terms of characters and authors is really good [and has] made children reflect more on what they're going to enjoy".



Building on their work to support the development of whole school reading cultures, earlier this year Bookmark launched its Literacy Partner Programme. The consultancy-based programme aims to radically transform literacy at some of the most under-performing schools. Bookmark will work closely with key staff at each school to develop detailed action plans focusing on delivering literacy-based improvements which will be implemented across two years, alongside targeted funding of up to £10,000 to support delivery. Through the programme, Bookmark intends to improve outcomes for children who are currently at risk of leaving primary school, without the reading skills they need to succeed in their education and beyond. An initial 40 schools have been onboarded so far, with an additional 50 schools joining the programme from September.

Bookmark also launched its innovative Story Starter programme in June, delivering 1,500 early years packs to incoming Reception pupils at schools across disadvantaged regions. Children who struggle with language at age 5 are five times more likely not to reach the expected level in reading and writing at age 11[1]. Each pack includes tailored information for parents to help them to support their children's reading, combined with age-appropriate reading resources such as storytelling aids, a special early years issue of The Story Corner magazine and a book of their own to inspire young readers.

With the continued support of Literacy Capital plc, Bookmark will continue to scale sustainably, expanding its reach and deepening its impact for children across the country. Bookmark are currently preparing to launch their new three-year strategy, which will look at how they will improve children's literacy by promoting a reading for pleasure culture in primary schools, with a focus on supporting children in the most disadvantaged communities.

[1] 'Early Language Development and Children's Primary School Attainment in English and Maths: New Research Finds', Save the Children, p. 1. early_language_development_briefing_paper.pdf (savethechildren.org.uk)

Why Literacy?

In England 7.1 million adults are described as having “very poor literacy skills” and struggle to read every day. Furthermore, 2023 SATs results show that more than one in four KS2 pupils are not meeting the expected standard of reading[2]. The consequences of low literacy are far reaching, limiting social mobility and increasing the likelihood of individuals experiencing challenges in relation to unemployment, poverty, health inequality and even a lower life expectancy. Adults experiencing low literacy are also less likely to be able to support with their children’s education, perpetuating a cycle of inequality through which 40% of disadvantaged children leave primary school without the literacy skills they need for a future filled with opportunity[3]. To put the problem in further context:

- Low literacy costs the UK economy £81 billion every year[4].
- Each year, only 10% of disadvantaged children who leave primary school with their reading below the expected standard are achieving passes in English and Mathematics at GCSE[5].
- Adults with low literacy skills are more than twice as likely to be unemployed than those who can read well[6].
- In 2022, research showed that the attainment gap between disadvantaged children and their peers more than doubles from the start of primary school to the end, escalating from 4.8 months to 10.3 months[7].

By addressing poor literacy from a young age, Bookmark looks to enhance results across social mobility, economic progress and the cultivation of an educational environment that fosters future opportunities. By investing in literacy and providing children with the reading confidence and skills they need for a fair chance in life, we invest in a brighter future.

[2] ‘Key stage 2 attainment’, Gov.uk, (2023), Key stage 2 attainment, Academic year 2022/23 - Explore education statistics - GOV.UK (explore-education-statistics.service.gov.uk)

[3] ‘Key stage 2 attainment’, Gov.uk, (2023), Key stage 2 attainment, Academic year 2022/23 - Explore education statistics - GOV.UK (explore-education-statistics.service.gov.uk)

[4] ‘The economic & social cost of illiteracy: A snapshot of illiteracy in a global context’, World Literacy Foundation, (2022), p. 10., https://worldliteracyfoundation.org/wp-content/uploads/2022/08/The-Economic-Social-Cost-of-Illiteracy-2022.pdf

[5] ‘Improving Literacy In Secondary Schools’, Education Endowment Foundation, (2021) p.2

[6] ‘The Impact of Poor Literacy’, *Adult Literacy Trust*, The Impact of illiteracy | Adult Literacy Trust (alt.org.uk).

[7] ‘Annual Report: Executive Summary’, Education Policy Institute, (2023), https://epi.org.uk/annual-report-2023-executive-summary/

Risks and Uncertainty

The Board of Directors and Investment Manager continue to monitor, review and assess risks and uncertainties which could adversely effect the performance of BOOK.

The principal risks and uncertainties faced by the Company, along with the mitigating actions have not changed from those set out within the Audited Report and Financial Statements for the twelve months to 31 December 2023. The principal risks include investment and liquidity, financial, economic, tax, operational, discount volatility, geopolitical and climate change.

Related Party Transactions

Details in respect of the Company's related party transactions during the period are included at note 18 to the interim financial statements.

Going Concern

The Board has assessed the financial position and prospects of the Company over the next 12 months, whilst considering the principal risks and uncertainties faced by the Company. The Company has demonstrated good performance and resilience amongst a difficult market back drop.

The Directors do not believe there are any significant risks and uncertainties likely to impact the ability of the Company to continue in business and believe it has adequate resources to operate for at least twelve months from the date of approval of the financial statements, and so for this reason, the Company continues to adopt the going concern basis in preparing the accounts.

Directors' Responsibility Statement

The Directors are responsible for preparing the interim report, in accordance with the applicable laws and regulations. The Directors confirm that, to the best of their knowledge;

- The condensed set of financial statements contained in these interim results have been prepared in accordance with IAS 34 as contained in UK-adopted IFRS; and
- The chair’s foreword and interim management report includes a fair review of the information required by DTR 4.2.7 R and 4.2.8 R of the FCA's Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year; and
- The interim financial statements include a fair review of the information required by DTR 4.28R of the Disclosure Guidance and Transparency Rules, being relating party transactions that have taken place in the first six months of the year.

This interim report was approved by the Board and the above Director’s Responsibility Statement was signed on its behalf by the Chair.

Paul Pindar
Chairman, Literacy Capital plc

27 August 2024

Unaudited Financial Statements

Statement of comprehensive income

Note	For the six months ended 30 June	Unaudited 2024 Total £	Unaudited 2023 Total £
	Gains on investments		
11	Unrealised gain on fair value on investments	17,558,083	33,462,372
	Realised gain on disposal of investment	-	9,346,842
	Gains for the period on investments	**17,558,083**	**42,809,214**
	Investment Income	255,106	2,094,718
	Operating Income	17,966	1,548
	Total	**273,072**	**2,096,266**
	Total income	**17,831,155**	**44,905,480**
	Expenses		
6	Operating expenses	(763,658)	(537,321)
	Management fee	(1,428,947)	(1,333,734)
	Total operating expenses	**(2,192,605)**	**(1,871,055)**
	Charitable donations	(1,428,947)	(1,333,734)
10	Finance costs	(606,291)	(645,385)
	Net foreign exchange profit / (loss)	(4,189)	(128,427)
	Profit for the period before taxation	**13,599,123**	**40,926,879**
8	Tax credit / (expense)	-	-
	Profit for the period	**13,599,123**	**40,926,879**
	Other comprehensive income	-	-
	Total comprehensive income	**13,599,123**	**40,926,879**
	Earnings per share for profit attributable to the ordinary shareholders of the company:		
14	Basic earnings per share	**22.67 pence**	**68.21 pence**
14	Diluted earnings per share	**22.44 pence**	**67.67 pence**

The accompanying notes form an integral part of these interim financial statements.

Statement of financial position

Note		Unaudited 30 June 2024	Audited 31 December 2023
		£	£
	Non-current assets		
11	Investments at Fair Value through Profit or Loss	325,303,525	315,118,295
		325,303,525	**315,118,295**
	Current assets		
	Cash and cash equivalents	1,407,959	272,899
	Trade and other receivables	225,769	445,142
		1,633,728	**718,041**
	Current liabilities		
	Trade and other payables due less than one year	(1,020,342)	(1,358,094)
	Accrual for charitable donation	(2,683,826)	(3,321,007)
12	Debt	(6,512,794)	(9,465,014)
		(10,216,962)	**(14,144,115)**
	Net current (liabilities)	**(8,583,234)**	**(13,426,074)**
	Non-current liabilities		
	Trade and other payables due more than one year	(605,541)	(605,541)
	Accrual for charitable donation	(1,428,947)	-
	Total non-current liabilities	**(2,034,488)**	**(605,541)**
	Net assets	**314,685,803**	**301,086,680**
	Capital and reserves		
13	Share capital	60,000	60,000
	Share premium	53,946,000	53,946,000
	Retained earnings	260,344,803	246,745,680
	Share based payment reserve	335,000	335,000
	Total share capital & reserves	**314,685,803**	**301,086,680**

The accompanying notes form an integral part of these interim financial statements.

The interim financial statements were approved and authorised for issue by the board of directors on 27 August 2024 and were signed on its behalf by:

Paul Pindar
Director
Date: 27 August 2024

Statement of changes in equity

For the six months ended 30 June 2024	Share capital	Share premium	Retained earnings	Share based payment reserve	Total
	£	£	£	£	£
Balance at 31 December 2023 (audited)	60,000	53,946,000	246,745,680	335,000	301,086,680
Profit for the period	-	-	13,599,123	-	13,599,123
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**13,599,123**	**-**	**13,599,123**
Contributions by and distributions to owners					
Share based payment reserve	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2024 (unaudited)	**60,000**	**53,946,000**	**260,344,803**	**335,000**	**314,685,803**

For the six months ended 30 June 2023	Share capital	Share premium	Retained earnings	Share based payment reserve	Total
	£	£	£	£	£
Balance at 31 December 2022 (audited)	60,000	53,946,000	198,541,067	144,000	252,691,067
Profit for the period	-	-	40,926,879	-	40,926,879
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**40,926,879**	**-**	**40,926,879**
Contributions by and distributions to owners					
Share based payment reserve	-	-	-	100,000	100,000
Total transactions with owners	**-**	**-**	**-**	**100,000**	**100,000**
Balance at 30 June 2023 (unaudited)	**60,000**	**53,946,000**	**239,467,946**	**244,000**	**293,717,946**

Statement of cash flows

Note	For the six months ended 30 June	Unaudited 2024	Unaudited 2023
	Cash flows from operating activities	**£**	**£**
	Cash inflow / (outflow) from operating activities		
	Management fee paid	(1,586,575)	(1,723,260)
	Non-executive director remuneration	(46,961)	(50,002)
	Other operating expenditures	(471,750)	(338,595)
	Finance costs	(629,077)	(886,801)
	Charitable donations paid	(667,182)	(1,023,706)
	Income from investments	255,106	2,094,718
	Operating Income	17,966	1,548
	Net cash used in operating activities	**(3,128,473)**	**(1,926,098)**
	Cash flows from investing activities		
	Cash inflow / (outflow) from investing activities		
	Purchase of investments	(17,804,862)	(19,384,998)
	Proceeds from disposal of investments	24,710,296	19,255,550
	Net cash generated from / (used in) investing activities	**6,905,434**	**(129,448)**
	Cash flows from financing activities		
	Cash inflow / (outflow) from financing activities		
	Warrants pending execution	280,000	-
	Repayment of RCF	(18,167,769)	(16,350,000)
	Receipt from RCF	15,250,000	17,500,000
	Net cash (used in) / generated from financing activities	**(2,637,769)**	**1,150,000**
	Net increase / (decrease) in cash and cash equivalents	**1,139,192**	**(905,546)**
	Cash and cash equivalents - opening balance	272,899	1,472,034
	Effect of exchange rate fluctuations on cash and cash equivalents	(4,132)	(9,413)
	Cash and cash equivalents - closing balance	**1,407,959**	**557,075**

The accompanying notes form an integral part of these interim financial statements.

Notes to the Unaudited Financial Statements

For the six months ended 30 June 2024

1. Reporting Entity

Literacy Capital plc (the "Company") is a public limited company, limited by shares, incorporated in United Kingdom. The Company's registered office is 3rd Floor, Charles House, 5-11 Regent Street St James's, London, SW1Y 4LR. Literacy Capital plc is a closed-end investment trust focused on investing in and supporting small, growing UK businesses and helping their management teams to achieve long-term success. Literacy Capital plc's shares are listed on the Specialist Fund Segment of the London Stock Exchange (ISIN GB00BMF1L080).

Book Asset Management LLP is the Company's investment manager. Book Asset Management LLP is a limited liability partnership, incorporated in the United Kingdom. Its registered office is 3rd Floor, Charles House, 5-11 Regent Street St James's, London, SW1Y 4LR.

2. Statement of Compliance

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Company's last annual financial statements for the year ended 31 December 2023. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. These interim financial statements are unaudited.

These interim financial statements were authorised for issue by the Company's Board of Directors on 27 August 2024.

3. Accounting policies

The accounting policies applied by the Company in these interim financial statements are the same as those applied in its annual financial statements for the year ended 31 December 2023.

Deferred tax is provided on all timing differences which have originated but not reversed at the balance sheet date, calculated using the tax rates relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted. Deferred tax liabilities are recognised only to the extent that it is more likely than not that there will be a future tax charge. Whilst the Company continues to hold investment trust status, it has an exemption from paying tax on its capital profits.

4. Functional and presentation currency

These interim financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

A foreign currency transaction is recorded initially at the rate of exchange at the date of the transaction. Assets and liabilities are translated from foreign currency to the functional currency at the closing rate, at the end of the reporting period. The resulting gains or losses are included in the Statement of Comprehensive Income.

5. Accounting estimates and judgements

The preparation of interim financial statements in conformity with International Accounting Standards requires Directors 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.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at and for the year ended 31 December 2023.

6. Operating Expenses

For the six months ended 30 June	Unaudited 2024	Unaudited 2023
	£	£
Non-Executive Director remuneration	45,600	52,114
Other operating expenses	718,058	485,207
Total	**763,658**	**537,321**

7. Employees

The Company has no employees. The number of Directors at 30 June 2024 was 5 (31 December 2023: 6). Kevin Dady resigned as a Director of the Company effective from 31 March 2024.

8. Taxation

The actual tax charge for the current and previous period differs from the standard rate for the reasons set out in the following reconciliation:

For the six months ended 30 June	Unaudited 2024	Unaudited 2023
	£	£
Current taxation		
United Kingdom corporation tax at 25% (30 June 2023: 23.50%)	-	-
	-	-

The actual tax charge for the current and previous period differs from the standard rate for the reasons set out in the following reconciliation:

For the six months ended 30 June	**Unaudited 2024**	**Unaudited 2023**
	£	**£**
Profit on ordinary activities before taxation	**13,599,123**	**40,926,879**
Tax on profit on ordinary activities at standard rate of 25% (30 June 2023: 23.50%)	3,399,781	9,617,817
Factors affecting tax charge for the period:		
Expenses not deductible for tax purposes	1,453,738	1,330,016
Income not taxable for tax purposes	(5,623,622)	(10,321,181)
Exempt ABGH distributions	-	(425,516)
Movement in deferred tax not recognised	770,103	(201,136)
Total tax charge / (credit) for the period	**-**	**-**

Literacy Capital plc qualified for Investment Trust status with effect from the financial year commencing 1 April 2022, and as such, its capital gains are not taxable.

There is no UK current tax charge at 30 June 2024 (30 June 2023: £nil) as the Company had sufficient losses to fully relieve all taxable income amounts.

Factors that may affect future tax charges

The Finance Act 2021 enacted legislation to increase the UK corporation tax to 25% with effect from the tax year commencing 1 April 2023.

9. Charitable Donation

The Company has recognised charitable donation expenses of £1,428,947 (for the six months ended 30 June 2023: £1,333,734). The charitable donation expense is calculated on a calendar year basis. The expense for the first 6 months of 2024 is calculated by applying 0.9% to a pro forma Net Asset Value adjusted for fair value uplifts of £317.5 million (for the year ended 31 December 2023: £306.6 million). During the six-month period, donations paid were £667,182 (for the six months ended 30 June 2023: £1,023,706). The accrual for charitable donations at the period end amounts to £4,112,773 (for the year ended 31 December 2023: £3,321,007).

10. Finance costs

The finance costs are in relation to the Company's revolving credit facility. The costs comprise an interest element which is floating and linked to SONIA, as well as an ongoing non-utilisation fee linked to the undrawn balance.

For the six months ended 30 June	**Unaudited 2024**	**Unaudited 2023**
	£	**£**
Finance costs on Revolving Credit Facility	606,291	645,385
Total	**606,291**	**645,385**

11. Financial Instruments

	Unaudited 30 June 2024	Audited 31 December 2023
	£	£
Assets		
Financial assets at fair value through profit or loss		
Equity instruments at fair value through profit and loss	210,163,924	226,633,780
Debt instruments at fair value through profit and loss	115,139,601	88,484,515
Financial assets at amortised cost		
Cash and cash equivalents	1,407,959	272,899
Total Financial assets	**326,711,484**	**315,391,194**
Liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	1,625,883	1,963,635
Revolving Credit Facility	6,512,794	9,465,014
Total Financial liabilities	**8,138,677**	**11,428,649**

The investment reconciliation schedule for the Company as at 30 June 2024 is as follows:

	Equity instruments at fair value through profit or loss		Debt instruments at fair value through profit or loss		Total
	£	£	£	£	£
Investments at 31 December 2023		**226,633,780**		**88,484,515**	**315,118,295**
Additions		2,901,839		14,435,604	**17,337,443**
Proceeds from the disposal of investments	(21,448,334)		(3,261,962)		(24,710,296)
Realised loss on disposal of investments	-		-		-
Cost of Disposal		(21,448,334)		(3,261,962)	**(24,710,296)**
Fair value movement through profit or loss		2,076,639		15,481,444	17,558,083
Investments at 30 June 2024		**210,163,924**		**115,139,601**	**325,303,525**

The investment reconciliation schedule for the Company as at 31 December 2023 is as follows:

	Equity instruments at fair value through profit or loss		Debt instruments at fair value through profit or loss		Total
	£	£	£	£	£
Investments at 31 December 2022		**221,332,176**		**49,246,341**	**270,578,517**
Additions		8,678,943		35,518,901	**44,197,843**
Proceeds from the disposal of investments	(48,141,938)		(3,117,113)		(51,259,051)
Realised gain on disposal of investments	16,993,458		-		16,993,458
Cost of Disposal		(31,148,480)		(3,117,113)	**(34,265,592)**
Fair value movement through profit or loss		27,771,141		6,836,387	34,607,528
Investments at 31 December 2023		**226,633,780**		**88,484,515**	**315,118,295**

Fair values of financial instruments

The Company determines fair values using other valuation techniques, based on the IPEV guidelines.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Various valuation techniques may be applied in determining the fair value of investments held as Level 3 in the fair value hierarchy. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used.

The Investment Manager has selected to use EBITDA/EBIT and TGAV multiple models, milestone valuations and recent fundraises for growth investments in arriving at the fair value of investments held as Level 3 in the fair value hierarchy.

The effect on the fair value measurements of Level 3 assets, as a consequence of changing one or more of the assumptions used to reasonably possible alternative assumptions can be seen below.

For assets managed and valued by a third party, the fund manager provides the Company with periodic valuations of the Company's investment. The Company reviews the valuation methodology of the third-party manager. If deemed appropriate and consistent with the Company's reporting standards, the Board will adopt the valuation prepared by the third-party manager. If the third party valuation report is dated earlier than the Company's reporting date, the Company adjusts the third-party valuations for any capital calls paid and distributions received between the underlying managers reporting date and 30 June 2024 to arrive at the Directors' best estimate of fair value. The estimated valuations therefore do not take into consideration the unrealised market movements between the underlying managers reporting date and 30 June 2024. The valuations that the underlying managers ultimately provide as at 30 June 2024 may therefore materially differ to the latest valuation report available at the time of preparing these financial statements.

Fair value hierarchy – Financial assets at fair value through profit and loss

Financial assets and liabilities 30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Equity instruments at fair value through profit and loss	-	11,942,164	198,221,760	210,163,924
Debt instruments at fair value through profit and loss	-	-	115,139,601	115,139,601
Total investments (Unaudited)	**-**	**11,942,164**	**313,361,361**	**325,303,525**

Financial assets and liabilities 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	£	**£**	**£**	**£**
Equity instruments at fair value through profit and loss	-	14,264,673	212,369,107	226,633,780
Debt instruments at fair value through profit and loss	-	-	88,484,515	88,484,515
Total investments (Audited)	-	**14,264,673**	**300,853,622**	**315,118,295**

The following table shows a reconciliation of the opening balances to the closing balances for fair value measurements in level 3 of the fair value hierarchy for the underlying investments held by the Company.

Unquoted investments (including debt)	**Unaudited 30 June 2024**	**Audited 31 December 2023**
	£	**£**
Balance as at 1 January	300,853,622	257,833,082
Additional investments	16,959,918	43,396,465
Proceeds from disposal of investments	(21,761,960)	50,558,241
Realised (loss) / gain	-	16,993,458
Change in fair value through profit & loss	17,309,781	33,188,858
Balance as at 30 June / 31 December	**313,361,361**	**300,853,622**

Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 30 June 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description Inputs	Fair value on 30 June 2024	Fair value on 31 December 2023	Significant unobservable inputs
	£	£	
Unquoted private equity investments (including debt)	290,452,976	281,960,050	EBITDA multiple
Unquoted growth capital investments	4,614,786	1,250,005	Milestone
Unquoted private equity investments (including debt)	18,293,599	17,643,567	TGAV Multiple
	313,361,361	**300,853,622**	

Significant unobservable inputs are developed as follows:

- **EBITDA and TGAV multiple:** valuation multiples used by other market participants when pricing comparable assets. Where relevant and comparable private companies have recently been sold, which are deemed to be proximate to the Company's investments (based on similarity of sector, size, geography or other relevant factors), these multiples are captured for valuation purposes. Where relevant, or where insufficient private transactions have been identified, valuation data for public companies may also be used.
- **Milestone:** for assets which have recently completed fundraising rounds, the Company uses these valuations when determining its own holding valuations.

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements of Level 3 assets, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on the Level 3 investment valuations:

- For the Company's investment in Level 3 assets which are valued using an EBITDA multiple, the valuations used in the preparation of the financial statements imply an average EBITDA to Enterprise Value multiple of 9.2x (weighted by each asset's total valuation). The key unobservable inputs into the preparation of the valuation of mature Level 3 assets was the EBITDA to Enterprise Value multiple applied to the asset's financial performance. If these inputs had been taken to be 10 per cent. higher, the value of the Level 3 assets and profit for the period would have been £40.2m higher. If these inputs had been taken to be 10 per cent. lower, the value of the Level 3 assets and profit for the period would have been £40.2m lower.
- The Company's one investment in a Level 3 asset which is valued using a TGAV multiple, was valued at 1.2x in the preparation of the financial statements. The key unobservable inputs into the preparation of the valuation of mature Level 3 assets was the TGAV to Enterprise Value multiple applied to the businesses' assets. If this had been taken to be 10 per cent. higher, the value of the Level 3 asset and profit for the period would have been £4.0m higher. If these inputs had been taken to be 10 per cent lower, the value of the Level 3 asset and profit for the period would have been £4.0m lower.
- For the Company's investment in Level 3 assets which are valued using Milestone, the use of different methodologies or assumptions could lead to different measurements of fair value. The key unobservable inputs into the preparation of the valuation was the Revenue to Enterprise Value multiple used. If the output had been taken to be 10 per cent. higher, the value of the Level 3 assets would have been £0.5m higher. If the output had been taken to be 10 per cent. lower, the value of the Level 3 assets would have been £0.5m lower.

10 per cent. was chosen as an appropriate sensitivity metric to be used as this is the typical amount a multiple could move between valuations.

12. Debt

Literacy Capital plc entered into a £25m Revolving Credit Facility ("RCF") with Investec in December 2021. During the year ended 31 December 2023 this has been extended to £30m, out of which £6.44m had been drawn at 30th June 2024 (31 December 2023: £9.36m). This facility is committed by Investec Bank plc until December 2024. The Company has provided security in the form of its underlying portfolio companies. A pre-agreed margin (dependent on loan to value at each drawing) plus the daily SONIA rate is charged on borrowed amounts. A non-utilisation fee is also charged on the available undrawn amounts of the facility. Note 10 details the finance costs charged within the period.

	Unaudited 30 June 2024	Audited 31 December 2023
	£	£
Revolving Credit Facility	6,443,640	9,361,408
Accrued interest on Revolving Credit Facility	69,154	103,606
Total	**6,512,794**	**9,465,014**

13. Share Capital

	Unaudited 30 June 2024	Unaudited 30 June 2024	Audited 31 December 2023	Audited 31 December 2023
	Number	**£**	**Number**	**£**
Ordinary shares of £0.001 each	60,000,000	60,000	60,000,000	60,000
	60,000,000	**60,000**	**60,000,000**	**60,000**

- The number of shares issued and allotted have been paid to the extent of 60,000,000 shares amounting £60,000 as at 30 June 2024 (for the year ended 31 December 2023: 60,000,000 shares amounting £60,000).
- All ordinary shares have the same voting rights, preferences, and no restrictions on the distribution of dividends and the repayment of capital.
- The Company's articles do not limit the number of new ordinary shares which can be issued.

14. Basic and diluted profit per share (pence)

Basic profit per share is calculated by dividing the profit of the Company for the period attributable to the ordinary shareholders of £13,599,123 (for the six months ended 30 June 2023: £40,926,879) divided by the weighted average number of shares outstanding during the period of 60,000,000 (for the six months ended 30 June 2023: 60,000,000).

Diluted profit per share is calculated by dividing the profit of the Company for the period attributable to the ordinary shareholders of £13,599,123 (for the six months ended 30 June 2023: £40,926,879) divided by the weighted average number of ordinary shares outstanding during the period, but including the outstanding warrants at period end which are expected to vest, which totals 60,607,418 shares (for the six months ended 30 June 2023: 60,480,663).

15. NAV per share (pence)

The Company's basic NAV per share of 524.48 pence (on 31 December 2023: 501.81 pence) is based on the net assets of the Company at the period end of £314,685,803 (31 December 2023: £301,086,680) divided by the shares in issue at the end of the period of 60,000,000 (31 December 2023: 60,000,000).

'Alternative Performance Measures' on page 33 and 34 sets out why a diluted NAV and NAV per share have been used within 'Performance Highlights' on page 3.

16. Warrants

The following table sets out the movement of warrants in issue during the period.

	Unaudited 30 June 2024 Number	Audited 31 December 2023 Number
Outstanding warrants at the beginning of the period / year	**600,000**	**350,000**
Warrants issued during the period / year	75,000	250,000
Outstanding warrants at the end of the period / year	**675,000**	**600,000**

17. Reserves

The following are the reserves with the entity as at 30 June 2024:

- Share Capital: Capital issued and paid to the extent of £60,000.
- Share Premium: Premium above par value issued and fully paid. The Share Premium account is distributable.
- Retained Earnings: Accumulated profits and losses less any dividends paid.
- Share based payment reserves: The fair value of any share based payments recognised at the reporting date.

18. Related party transactions

Two Directors of the Company are designated members of Book Asset Management LLP ("BAM").

Total expenses through the Statement of Comprehensive Income with BAM during the period were £1,428,947 (for the six months ended 30 June 2023: £1,333,734). The total expense related to the rendering of AIFM services during the period. At the period end the balance due to be paid to the LLP for these services was £44,745 (31 December 2023: £203,400).

The Company recognises Bookmark Reading Trading Limited as a related party because Sharon Pindar, wife of Paul Pindar, is a Director of Bookmark Reading Trading Limited.

The Company also recognises Bookmark Reading Charity as a related party for the same reason as mentioned above for Bookmark Reading Trading Limited.

The total payments made during the period were £540,182 (for the six months ended 30 June 2023: £1,023,706). The Company has a provision for charity and other donation payments amounting to £4,112,773 (31 December 2023: £3,321,007). Out of this provision, certain donations will be made to Bookmark Reading Trading Limited and Bookmark Reading Charity.

19. Capital Commitments

Further capital commitments of €1,161,326 (31 December 2023: €1,609,464), £130,015 (31 December 2023: £130,015) and $1,200,000 (31 December 2023: $1,200,000) remain outstanding and are yet to be drawn down.

20. Subsequent events

Since 30 June 2024, BOOK has made one new platform investment into Campfire Group, a leading marketing agency specialising in the provision of technology-led influencer marketing services. The investment was made for a significant minority stake to support and accelerate Campfire's growth under the founders' continued leadership.

Also since the period end, BOOK has made £0.8m of further investment into two existing portfolio companies, and received the final £1.5m from the refinancing of the portfolio company which was announced in April.

All of these events are non-adjusting events at 30 June 2024.

21. Ultimate controlling party

Literacy Capital plc does not have an ultimate controlling party.

Alternative Performance Measures

As well as financial performance, the Board of Directors and Investment Manager monitor Alternative Performance Measures. An APM is a numerical measure of the Company's historical or current performance. The following APMs are typically used within the investment trust sector to provide additional information to shareholders and other readers to help assess performance.

NAV per share

The 30 June 2024 NAV and NAV per share reported within 'Performance Highlights' on page 3, and the 'Investment Manager's Report' from page 7 includes an adjustment to the net asset value to take account for the dilutive impact of warrants in issue, calculated on a straight-line basis over the vesting period of the warrants.

	30 June 2024	31 December 2023
	£	£
Net Asset Value	314,685,803	301,086,680
Proceeds from warrants vesting	1,124,697	813,357
Net Asset Value for NAV per share calculation	**315,810,500**	**301,900,037**
Ordinary shares in issue	60,000,000	60,000,000
Additional shares issued from warrants vesting	428,790	329,269
Total shares for NAV per share calculation	**60,428,790**	**60,329,269**
Net Asset Value per share	**5.226**	**5.004**

Total Return

Share price and NAV total returns show how the share price and NAV have performed over the six month period to 30 June 2024.

	Share price mid-point	NAV per Share
Opening at 1 January 2024	480.0p	500.4p
Closing at 30 June 2024	527.5p	522.6p
Change in six months to 30 June 2024	9.9%	4.4%
Dividends declared or paid	-	-
Total return in six months to 30 June 2024	**9.9%**	**4.4%**

The following table shows the total returns in the previous year ended 31 December 2023.

	Share price mid-point	NAV per Share
Opening at 1 January 2023	368.0p	420.6p
Closing at 31 December 2023	480.0p	500.4p
Change in year ended 31 December 2023	30.4%	19.0%
Dividends declared or paid	-	-
Total return in year ended 31 December 2023	**30.4%**	**19.0%**

Share Price Premium or Discount

The table below shows the amount by which the share price mid-point is either higher (premium) or lower (discount) than the NAV per share, expressed as a percentage of the NAV per share.

	30 June 2024	31 December 2023
Share price mid-point	527.5p	480.0p
NAV per share	522.6p	500.4p
Share price premium or (discount)	**0.9%**	**(4.1%)**

Ongoing Charges

The ongoing charges are calculated in line with guidance issued by the Association of Investment Companies ('AIC') and capture management fees and expenses, which are operational and recurring by nature but excluding finance costs, incurred by the Company. The calculation does not include the expenses or management fees incurred by any underlying funds or portfolio companies.

The calculation is based on the ongoing charges expressed as a percentage of the average quarterly NAV figures published during the six month period to 30 June 2024.

BOOK's ongoing charges, excluding the 0.9% annual charitable donation provision, were calculated as 1.18% (30 June 2023: 1.11%).

BOOK's ongoing charges, including the 0.9% annual charitable donation provision, were calculated as 2.09% (30 June 2023: 2.04%).

BOOK's investment management fees and charitable donation are calculated as 0.9% of net assets at the end of the financial period, which allows these costs to be calculated based on audited net asset figures, rather than unaudited quarterly figures. This translates into slightly higher ongoing charges and donations, compared to the AIC's suggested calculation, which uses average net assets in the period, if net assets grow in the period.

Corporate Information

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Rachel Murphy

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Shareholder Information

Key Dates

March	Audited report and financial statements published for the year to 31 December
June	Company’s half year end
September	Half-yearly results published
December	Company’s year-end

Frequency of NAV Publication

The Company’s unaudited NAV is released to the London Stock Exchange on a quarterly basis, in January, April, July and October, typically within four weeks of the quarter end (unless otherwise stated).

Annual and half-yearly report

Copies of the Company’s Annual and Half-yearly Reports, stock exchange announcements and further information on the Company can be obtained from the Company’s website www.literacycapital.com.

Identification codes

Admission to trading:	Specialist Fund Segment (SFS)
Ticker:	BOOK
ISIN:	GB00BMF1L080

Contacting the Company

Shareholder queries are welcomed by the Company. While any queries regarding your shareholding should be directed to the Registrar, shareholders who wish to raise any other matters with the Company may do so via the registered office of the company (see Corporate Information section on page 35).