BlackRock

BlackRock Throgmorton Trust plc

Annual Report and Financial Statements 30 November 2023

Keeping in touch

We know how important it is to receive up-to-date information about the Company.

To ensure that you are kept up-to-date, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link on the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets and market commentary, as well as upcoming events and webinars. Information about how we process personal data is contained in our privacy policy available on our website.

Further information about the company can be found on our website at www.blackrock.com/uk/thrg.

General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.

Use the QR code above to take you to the Company's website where you can sign up to monthly insights and factsheets.

Register here to watch this year's Annual General Meeting

For the benefit of shareholders who are unable to attend this year's AGM in person, we have arranged for the proceedings to be viewed via a webinar. You can register to watch the AGM by scanning the QR Code opposite or by visiting our website at www.blackrock.com/uk/thrg and clicking the registration banner.

Please note that it is not possible to speak or vote at the AGM via this medium and joining the webinar does not constitute attendance at the AGM. Shareholders wishing to exercise their right to attend, speak and vote at the AGM should either attend in person or exercise their right to appoint a proxy to do so on their behalf. For further details please see page 10 of the Annual Report.

Financial highlights

for the year ended 30 November 2023

5.2%[2]
Share price outperformed Benchmark Index[1]

3.7%[2,3]
NAV per share outperformed Benchmark Index[1]

579.00p
Ordinary share price
▼0.8[1,2]

600.72p
Net Asset Value (NAV) per share
▼2.3[1,2]

£575.9m
Total net assets
▼9.1%

16.56p
Revenue earnings per share
▲27.9%

14.75p
Total dividends
+34.7%

The above financial highlights are at 30 November 2023 and percentage comparisons are against 30 November 2022.

1 Mid-market share price, NAV performance and Benchmark Index are calculated in Sterling terms with dividends reinvested. The Benchmark Index is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.
2 Alternative Performance Measures, see Glossary on pages 135 to 138.
3 Calculated on NAV per ordinary share performance versus the Benchmark Index performance, both with dividends reinvested.

← Whilst Housebuilding and RMI (Repair, Maintenance and Improvement) had a difficult 2023, we believe the recovery potential in both earnings and multiple is substantial. Housebuilders M J Gleeson and Crest Nicholson, two additions to the portfolio during the year, are amongst those who could be set to benefit from changing market conditions.

Why BlackRock Throgmorton Trust plc?

Investment objective

The Company's objective is to provide shareholders with long-term capital growth and an attractive total return through investment primarily in UK smaller and mid-capitalisation companies traded on the London Stock Exchange.

Reasons to invest

Outperforming asset class

The Company offers investors exposure to primarily UK smaller and mid-capitalisation companies, an asset class that has historically outperformed larger companies by 3.9%[1] per annum.

Active management

Smaller and mid-capitalisation companies operate in a less efficient and under-researched area of the market, which makes it an attractive environment for active managers.

Additional alpha opportunities

The Company has an enhanced toolkit for generating outperformance with the ability to short companies that we find unattractive, enabling the Company to profit if their share prices fall. This provides a differentiated source of potential alpha.

Flexible market exposure

Leverage enables us to increase overall gross market exposure whilst our ability to hold short positions means we can vary the net market exposure over time with the aim of enhancing returns over the long term.

Broader exposure

The Company is able to invest without restriction in AIM listed companies, has the ability to invest 15% of gross assets in companies listed overseas and 2.5% of net assets in unquoted companies. This further expands our investment universe and provides differentiation from other trusts in the market.

Proven track record

Proven strategy with a long-term track record of over 4.5% annualised outperformance over our Benchmark Index.[2]

[1] Source: Datastream. For the period 1955 to 2023, Numis Smaller Companies Index plus AIM (excluding Investment Companies) Total Return Index (previously known as Hoare Govett). Barclays Equity Total Return (December 1955 to December 2006), representative of smaller company performance. FTSE All-Share Total Return (January 2008 to May 2022), representative of larger company performance.

[2] Since BlackRock was appointed as Manager on 1 July 2008.

The Association of Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, fact sheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/thrg.

Contents

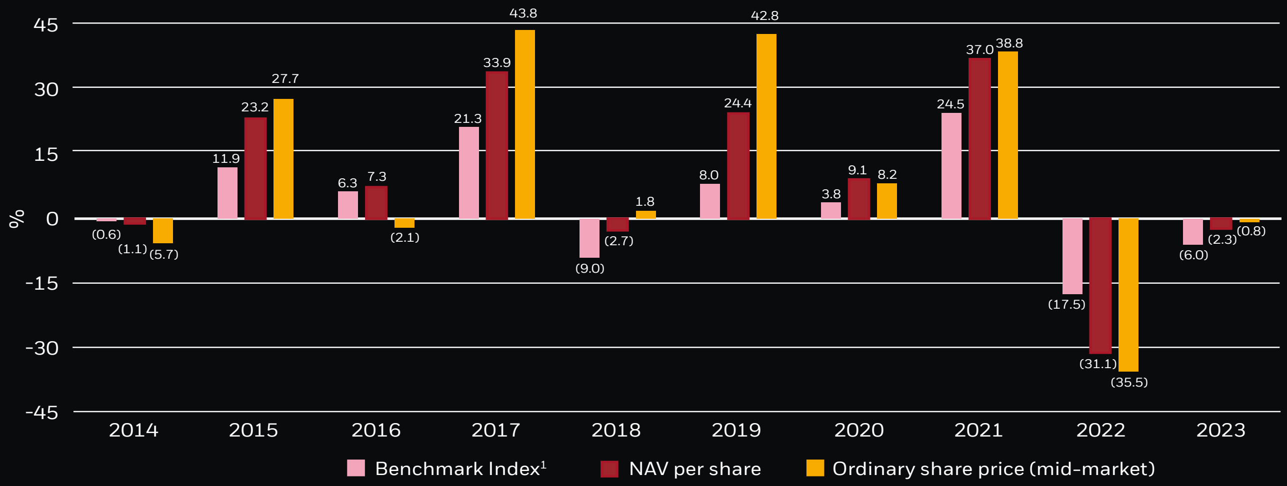
Performance record

	As at 30 November 2023	As at 30 November 2022
Net assets (£'000)[1]	575,925	633,357
Net asset value per ordinary share (pence)	600.72	626.10
Ordinary share price (mid-market) (pence)	579.00	595.00
Benchmark Index[2]	14,713.60	15,652.96
Discount to cum income net asset value[3]	(3.6)%	(5.0)%

	For the year ended 30 November 2023	For the year ended 30 November 2022
Performance (with dividends reinvested)		
Net asset value per share[3]	(2.3)%	(31.1)%
Ordinary share price[3]	(0.8)%	(35.5)%
Benchmark Index[2]	(6.0)%	(17.5)%
Average discount to cum income net asset value for the year[3]	(5.2)%	(3.5)%

	For the year ended 30 November 2023	For the year ended 30 November 2022	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	16,510	13,257	+24.5%
Revenue earnings per ordinary share (pence)[4]	16.56	12.95	+27.9%
Dividends per ordinary share (pence)			
Interim	3.30	2.60	+26.9%
Final	11.45	8.50	+34.7%
Total dividends payable/paid	**14.75**	**11.10**	**+32.9%**

Annual performance for the ten years to 30 November 2023



Annual performance figures to 30 November change %, calculated in Sterling terms with dividends reinvested.
Sources: BlackRock and Datastream.

[1] The change in net assets reflects portfolio movements, dividends paid, share issues and share buybacks during the year.

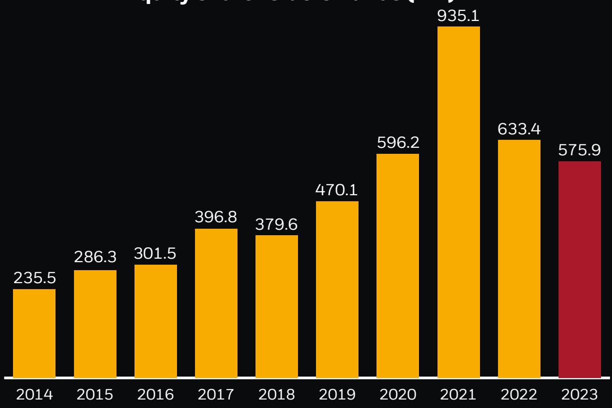
[2] The Company's Benchmark Index is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index. With effect from 22 March 2018, the Numis Smaller Companies plus AIM (excluding Investment Companies) Index replaced the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index as the Company's Benchmark Index. From 1 December 2013 to 21 March 2018, the Company's Benchmark Index was the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index. Prior to 1 December 2013, the Company's Benchmark Index was the Numis Smaller Companies plus AIM (excluding Investment Companies) Index. The performance of the Benchmark Indices during these periods has been blended to reflect these changes.

[3] Alternative Performance Measures, see Glossary on pages 135 to 138.

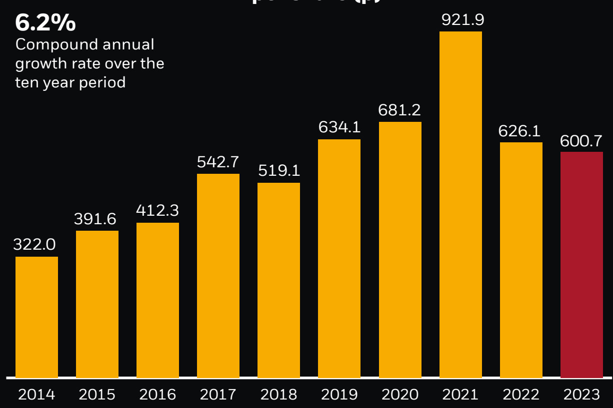
[4] Further details are given in the Glossary on page 138.

Ten year record

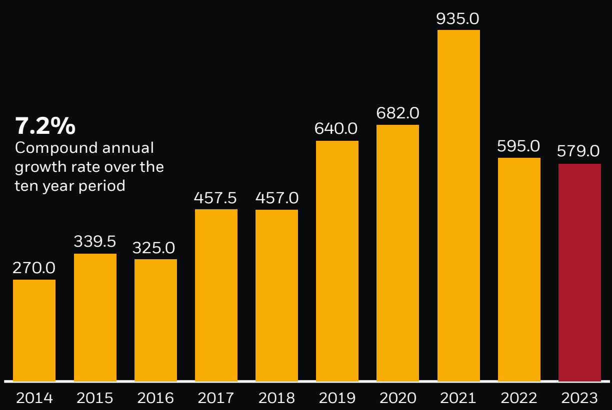
Equity shareholders' funds (£m)



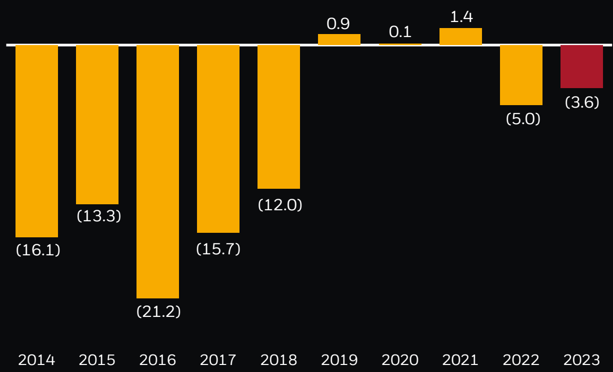
NAV per share (p)



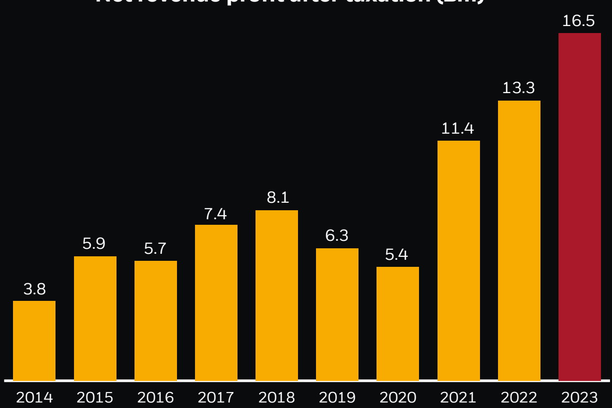
Ordinary share price per share[1] (p)



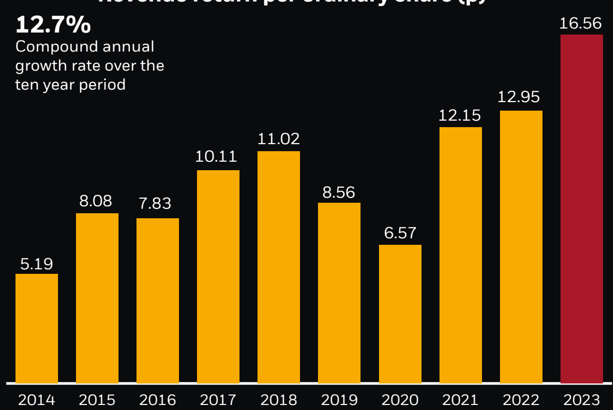
Share price (discount)/premium to NAV[2] (%)



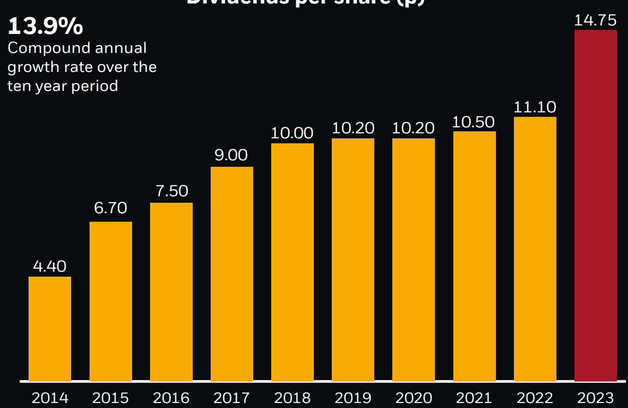
Net revenue profit after taxation (£m)



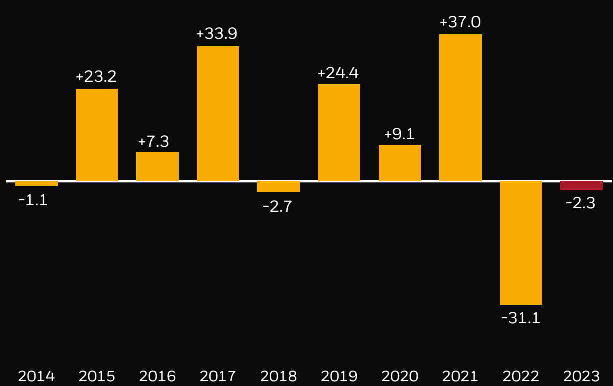
Revenue return per ordinary share (p)



Dividends per share (p)



Change in NAV per share (with dividends reinvested)[2] (%)



[1] Mid-market price.
[2] Alternative Performance Measures, see Glossary on pages 135 to 138.

Chairman's statement

Financial year's highlights

- **NAV outperformed the Benchmark Index over one year by 3.7 percentage points**
- **Performance remains strong over the longer term; our NAV has outperformed the Benchmark Index by 17% over five years (share price by 29.0%) and by 72.5% over 10 years (share price by 95.8%)**
- **NAV underperformed the Benchmark Index over three years by 4.3%, and outperformed over five years by 17% and over 10 years by 72.5%**
- **Share price narrowed to a 3.6% discount to NAV at the year end and traded at an average discount of 5.2% to NAV during the financial year**
- **Final dividend declared of 11.45p per share (2022: 8.50p)**

(All returns are in Sterling terms with dividends reinvested).

Christopher Samuel
Chairman

Overview

I am pleased to report that the Company outperformed our benchmark index by 3.7% during the twelve months to 30 November 2023. Although it is disappointing that in absolute terms our Net Asset Value fell by 2.3% for the year under review, over the longer term, performance remains strong, with the Company's NAV return outperforming the benchmark index by 17.0% over five years and by 72.4% over ten years. At the share price level, the outperformance was 29.0% and 95.9% over the same periods.

As you will read in the Investment Manager's report which follows on pages 13 to 17, our portfolio manager, Dan Whitestone, highlights that UK Smaller Company valuations are very low, both versus their own history and other asset classes. 2023 has once again been difficult to navigate, with significant market volatility and a widening gap between the fortunes of smaller and larger companies. However, given a macroeconomic backdrop of falling inflation, rising consumer confidence, and strong wage growth, these factors may well serve as a potential catalyst for a re-rating of the sector. Therefore, the outlook for our asset class may be brighter than many recognise.

Trading and earnings across our portfolio remain robust and the level of revenue produced by our portfolio has increased by 27.9%. This has enabled the Board to increase our total dividends for the year by an impressive 32.9% year-on-year.

Market overview

In my Half-Yearly statement in July, I described how the first six months of our financial year were dominated by powerful geopolitical and macroeconomic drivers. Markets were focused on the path of inflation and interest rates, seemly above all else and this theme continued through the second half of the financial year to 30 November 2023.

The rate of UK inflation, as measured by the Consumer Price Index, steadily reduced during the year, down from 10.7% at the start of our financial year to 3.9% as at 30 November 2023. This brought some welcome relief to UK consumers and corporates alike. The path of inflation had been driven by high energy and food prices and although these fell during the year, they remain far higher than in recent years. Ongoing structural issues in the UK labour market also kept wage demands high, somewhat offsetting the easing rate of food inflation and lower energy prices.

The Bank of England (BOE) continued its policy of monetary tightening throughout most of the year with the Monetary Policy Committee (MPC) voting to hold the base rate at 5.25% in September 2023. This is the highest level since February 2008 and ended a run of fourteen consecutive rate increases since December 2021. It was well-received by the equity markets. In the US, The Central Bank held the base rate of interest steady at 5.25% signalling interest rate cuts were likely in 2024. This saw almost all asset classes rise significantly in a year-end rally in response. In contrast the BOE was more hawkish, flagging that UK wage growth remained elevated and that the MPC will continue to consider the economic data before a rate cut was contemplated. This supports a 'higher for longer' narrative and more recently, UK data has been mixed with wage growth softening but with inflation above expectations in December at 3.9%, potentially pushing back expectations of an interest rate cut in early 2024.

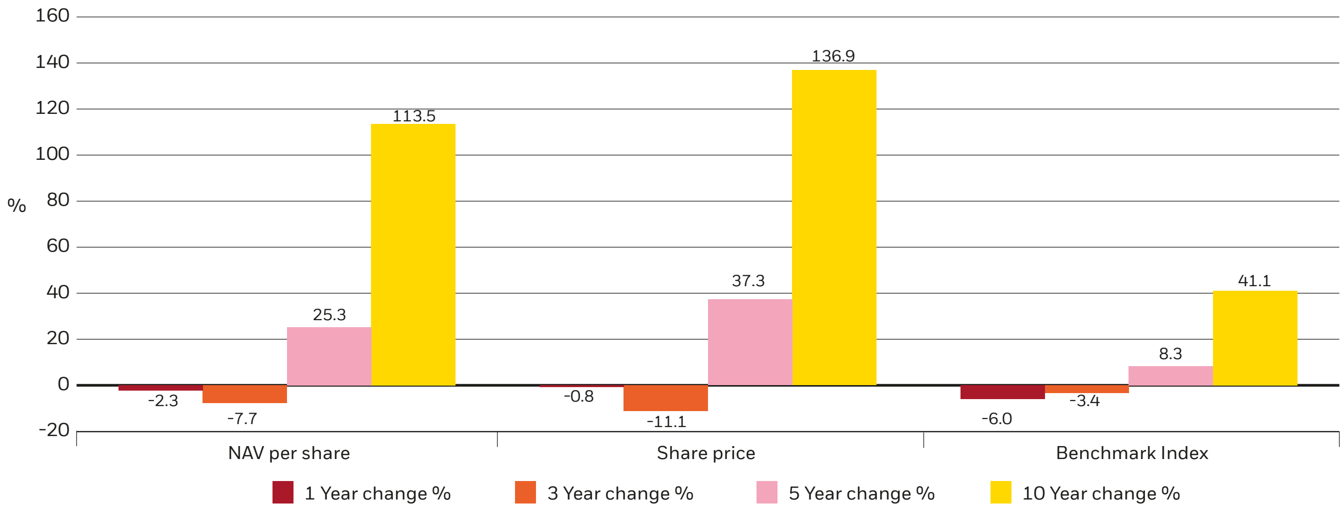
Another feature of the year under review was the elevated geo-political risk, with the focus switching from the conflict in Ukraine to rising tensions in the Middle East. There is increasing concern around the inflationary impact of disruption to major shipping routes in the Red Sea and an escalation into a wider conflict in the region. Looking forward, there are also several significant elections in 2024, notably in the UK, US and Europe, with a range of outcomes, all of which could impact market volatility and sentiment.

For a second year running the UK equity market continues to look cheap on a range of valuation metrics and this gives our portfolio manager cause for genuine optimism for UK smaller companies. He notes that the trading environment is more benign, with falling inflation, strong employment data and wage growth out-pacing inflation for the first time in many years. Importantly, sales growth and earnings remain robust for many of the companies within our portfolio, and the revenue generated by our portfolio this year rose by an impressive 27.9%. This has enabled the Board to increase the total dividend paid by the Company by 32.9% versus the prior financial year. In addition, the UK economy has displayed notable resilience, with household balance sheets and corporate earnings in better shape than many anticipated. In 2023 the UK avoided a much-feared economic recession and is forecasting modest growth in 2024. A 'soft landing' – a slowdown in economic growth that avoids a recession – may still be possible, although UK GDP growth was 0.3% in November 2023. In any case, the current cycle of monetary policy tightening appears to have peaked, and markets are focusing on if and when interest rates will be cut; an event that may be the catalyst for a broader change in market sentiment towards UK Smaller Companies and, in particular, the high-quality growth companies in which we invest.

Performance

Over the twelve months to 30 November 2023, the Company's NAV returned -2.3%, compared with a total return of -6.0% from the Company's Benchmark Index, the Numis Smaller Companies plus AIM (excluding Investment Companies) Index, an outperformance of 3.7percentage points. At the share price level, the return was -0.8% as the Company's share rating narrowed from a discount of 5.0% at the start of the financial year to a discount of 3.6% at the year end.

Performance record to 30 November 2023 (with dividends reinvested)



The longer-term performance remains strong. The Company's NAV return underperformed the Benchmark Index by 4.3% over three years, outperformed by 17.0% over five years and by 72.4% over ten years. The share price underperformed the Benchmark Index by 7.7% over three years, outperformed by 29.0% over five years and by 95.8% over ten years. (All percentages calculated in Sterling terms with dividends reinvested.)

As at close of business on 31 January 2024, the Company's NAV had increased by 8.8%, compared to the Benchmark Index which increased by 5.4%. The share price over the same period increased by 6.0%. Further information on portfolio performance, positioning and the outlook for the forthcoming year can be found in the Investment Manager's report on pages 13 to 17.

The Board and our Manager remain focused on achieving the Company's objectives of providing shareholders with long-term capital growth and an attractive total return and remain confident in the investment approach and process. We thank shareholders for your loyalty and support.

Performance fee

Following an outperformance versus the benchmark during the financial year, a performance fee accrual of £2,014,000 has been accrued. Our performance fee is calculated over a two-year rolling period and therefore no fee is payable to the Manager for the current financial year. Further information on management fees can be found on page 57 and in Note 4 to the financial statements on pages 102 and 103.

Policy on share price discount/premium

We recognise that a widening of, and volatility in, the Company's discount is viewed by some investors as a key disadvantage of investment trusts. The Board believes that the best way of addressing any discount volatility over the longer term is to generate good performance and to create demand for the Company's shares in the secondary market through broadening awareness of the Company's unique structure, strong investment team and robust investment process, and our long-term investment track record in an attractive sector that is difficult to navigate.

The Board considers several factors in determining whether the premium/discount to NAV (the share rating) at which the Company's shares trade is excessive or otherwise. These may include but are not limited to: whether the share rating is commensurate with the current demand for UK Smaller Companies and whether the Company's shares are trading in normal market conditions; the ongoing attractiveness of the investment proposition, in particular the strength of the portfolio management team and process; and the strong long-term performance delivered for shareholders, both in absolute and relative terms.

Share buy back activity

During the year to 30 November 2023 the Company's share rating ranged between a discount of 1.0% to 9.2% and ended the year at 3.6% (30 November 2022: discount of 5.0%). The 12-month average discount at 30 November 2023 was 5.2% (2022: average discount: 3.5%). During the financial year the Company bought back a total of 5,286,703 ordinary shares into treasury (2022: 2,015,000) for a total consideration of £29,807,000 (2022: £11,544,000). All shares were bought back at a discount to the prevailing NAV, were therefore accretive to

“Despite a challenging backdrop, our portfolio manager is optimistic about the future. He highlights what he believes is a significant mis-pricing of UK Small cap companies, evidenced by the disconnect between corporate sales and earnings and valuations ascribed by the market.”

existing shareholders, and were placed into treasury for future re-issue. The advantage of holding shares in treasury over cancelling them is that they remain listed. This means that where there is an opportunity to re-issue these shares, the Company does not have to pay additional fees for admission to trading as would be required with an issue of new shares. It is the Board’s policy that it will generally only take shares into treasury where it believes there is a reasonable likelihood of re-issue in the future.

Since 30 November 2023 and up to the latest practicable date of 31 January 2024, a further 580,669 shares have been bought back for a total consideration of £3,519,000. As at this date, the Company’s shares were trading at a discount of 6.1%. No ordinary shares were issued during the period.

The Board believes that the share buy back activity undertaken has been effective and has been in shareholders’ interests. Despite what has been a challenging and volatile year, it is pleasing that the Company’s share rating has been relatively stable and has traded within a fairly tight range for most of the year, and at a consistently tighter discount relative to the peer group average. As we navigate these more volatile and uncertain markets, your Board will continue to monitor the Company’s share rating and may deploy its powers to issue or buy back the Company’s shares where it believes that it is in shareholders’ long-term best interests to do so.

As it does each year, the Board will once again seek at the Company’s Annual General Meeting (AGM) to renew the authorities granted by shareholders to issue or buy back shares. We encourage shareholders to vote in favour of these resolutions which are described in more detail in the Director’s Report on pages 63 to 65.

Revenue return and dividends

The revenue return per share for the year amounted to 16.56 pence per share, compared with 12.95 pence per share for the previous year, an increase of 27.9%. The Board recognises that, although the Company’s objective is capital growth, shareholders value the dividends paid by the Company. The Directors are therefore pleased to declare a proposed final dividend of 11.45 pence per share for the year ended 30 November 2023 (2022: 8.50p). This, together with the interim dividend of 3.30 pence per share paid on 1 September 2023, gives a total dividend for the year of 14.75 pence per share, increasing the total dividend distributed to shareholders in the prior financial year by 32.9%. This dividend will be paid on 28 March 2024, subject to shareholder approval at the forthcoming AGM, to shareholders on the Company’s register on 23 February 2024.

Board composition and diversity

The Board regularly considers its composition and that of its committees and has an ongoing succession plan in place designed to ensure that it retains an appropriate balance of skills, knowledge, experience, independence, and diversity that meets or exceeds relevant best practice and the requirements of the UK Corporate Governance Code, including guidance on tenure and the composition of the Board’s committees.

We are cognisant of the benefits of a diverse range of skills on the Board and the Company is compliant with the Parker Review recommendation that FTSE 350 companies have at least one director from an ethnically diverse background by 2024. The Board is also compliant with the recommendations of the FTSE Women Leaders Review. The review set targets for FTSE 350 companies which are designed to achieve boards with 40% female representation (previously 33%) and at least one woman in the role of Chair or Senior Independent Director on the board by the end of 2025. We have also disclosed data on the breakdown of the Board by gender and ethnicity. The disclosure can be found on page 67.

The Board is cognisant of the concept of “overboarding” and considers the time commitment required by the Directors’ other roles, taking into account their nature and complexity. The Board reviews this information annually, for each Director, including my own as Chairman of the Board, to ensure that all Directors have sufficient capacity to carry out their role effectively. Before recommending a Director for re-election, their independence, attendance record and ongoing commitment to the affairs of the Company is also considered. Further information on the Board’s assessment of Directors independence and other time commitments can be found in the Corporate Governance Statement on page 67.

Chairman's statement
continued

Board performance evaluation
As a constituent of the FTSE 350, and as recommended by the UK Corporate Governance Code, the Company undertook a comprehensive, externally facilitated, Board performance evaluation this financial year. The evaluation was carried out by a wholly independent third party, Stogdale St James Limited and included one-to-one interviews with the Board, representatives of the Manager and service providers, the completion of evaluation questionnaires and the observation of the Board and its interactions by the evaluator. A separate evaluation of my performance as Chairman was also undertaken by the independent evaluator, the results of which were considered by our Senior Independent Director and circulated to the Board. This process resulted in a small number of findings and recommendations that the Board will adopt, notwithstanding that the overall conclusion was very positive in terms of the effectiveness of the Board, its composition, and the skills, expertise and commitment of the Directors. We believe that the combination of our ongoing succession plan and structured search and selection process through which the Board identifies new appointments, coupled with the annual Board evaluation of their ongoing performance, allows the Board to confidently assert that its composition is appropriate for a Company of this size and complexity and that each Director is effectively discharging their role. Further information on the evaluation of the performance of the Board can be found on page 68.

Further details of the background and experience the Board of Directors can be found in their biographies on pages 35 to 37. The Board's policy on Board diversity and associated disclosures can be found in the Corporate Governance Statement on page 67.

Our approach to Environmental, Social and Governance (ESG) integration
Consideration of material ESG issues is built into our Manager's investment process and climate risk is considered to be a key part of investment risk, an approach your Board supports. The style of our Investment Manager naturally steers away from companies with weak balance sheets and poor cash flow which is a common characteristic of the few resource stocks in the Benchmark Index. It should be noted that the Company does not have an explicit mandate for sustainable, ESG or impact-focused investment, nor has it adopted exclusionary screens. The Investment Manager's integration of ESG factors into his analysis is, though, an important lens through which to identify long term winners, just as poor ESG outcomes provide a useful tool in establishing candidates for the short book.

Further information on the Manager's approach to responsible investing can be found on page 55.

Annual General Meeting
The Board is pleased to announce that the Company's Annual General Meeting (AGM) will be held in person on Tuesday, 19 March 2024 at 12.00 p.m. at the offices of BlackRock at 12 Throgmorton Avenue, London, EC2N 2DL. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 142 to 145 of this Annual Report.

Prior to the formal business of the meeting, our Investment Manager will make a presentation to shareholders. This will be followed by a question and answer session. Shareholders who are unable to attend the meeting in person but who wish to follow the AGM proceedings can do so via a live webinar this year. Details on how to register, together with access details, will be available shortly on the Company's website at: www.blackrock.com/uk/thrg or by contacting the Company Secretary at cosec@blackrock.com. It is not possible to attend, speak or vote via this medium and it is solely intended to provide shareholders with the ability to watch the proceedings.

Additionally, if you are unable to attend you can exercise your right to vote by proxy or appoint a proxy to attend in your place. Details of how to do this are included on the AGM Proxy Card provided to shareholders with the annual report. If you hold your shares through a platform or nominees, you will need to contact them and ask them to appoint you as a proxy in respect of your shares in order to attend, speak and vote at the AGM. Further information on the business of this year's AGM can be found in the Notice of the AGM on pages 142 to 145.

Shareholder communication and engagement
We appreciate how important access to regular information is to our shareholders. To supplement our Company website, we offer shareholders the ability to sign up to the Trust Matters newsletter which includes information on the Company as well as news, views and insights on the investment trust market. Information on how to sign up is included on the inside front cover of this report.

Following positive feedback and greater attendance and participation at the Company's AGM last year, I have once again sought to engage with shareholders who hold their shares through an intermediary or platform via the provisions of section 793 of the Companies Act 2006. The Board encourages all shareholders to either attend the AGM or exercise your right to vote by proxy.

The Board is aware that certain execution only investment platforms are now providing shareholders with the ability to vote electronically. The Board encourages shareholders to take advantage of this functionality where it is available to you.

The Board takes its responsibilities very seriously and is committed to exercising the highest standard of corporate governance. It also regularly considers the views of its major shareholders, offering to meet with them annually, and seeks to engage with all shareholders where possible. Should you wish to contact me, you can do so via our Company Secretary whose details are set out on page 131.

Outlook

As you will read in his report which follows, our portfolio manager is optimistic about the future. He highlights what he believes is a significant mis-pricing of UK Small Cap companies, evidenced by the disconnect between the growth in corporate sales and earnings and the valuations ascribed by the market. UK smaller companies are currently trading at valuations which look very cheap versus other asset classes, and compared with their historical averages. In addition, our portfolio highlights in his report the differential between the performance of UK small-cap and large cap equities, the widest since the Global Financial Crisis. With a gradually improving macroeconomic backdrop and several potential catalysts for a re-rating of the sector, not least a cut in interest rates, he believes the opportunity set presented by our asset class is highly compelling for the medium-term investor.

Our Investment Manager's fundamental philosophy remains unchanged, with a continued focus on financially strong companies with innovative business models and differentiated offerings which are capable of delivering sustained growth over time. This approach has served the Company well over many years and the Board remains fully supportive of our Investment Manager and his approach.

CHRISTOPHER SAMUEL
Chairman
2 February 2024

Investment Manager's report

For the year ended 30 November 2023

Dan Whitestone
Investment Manager

"Whilst there is much that can be debated about the economic outlook, we think the valuation of UK small and mid-cap companies is compelling."

Market review and overall investment performance

Interest rate policy and inflation remained top of minds during the second half of the financial year, with markets heavily influenced on a month-by-month basis by the latest inflation figures and rhetoric from central banks around the world. Thankfully, inflation has been coming down throughout the year, and most recently we have seen a stark change in narrative from *higher for longer to peak rates and imminent central bank pivot*. This has not been a consistent narrative throughout the past six months, with spikes in volatility caused by concerns for the growth outlook for China, mixed economic data fuelling the "higher for longer" narrative, fears of the 'inevitable' hard recession, geopolitical conflict, and mixed earnings, to name a few. And whilst the most recent change in sentiment has provided a supportive backdrop for the Company, it does continue the trend of heightened volatility within markets.

Performance review

For the second half of 2023, the Company's NAV outperformed the benchmark by +1.3%, falling by 2.4% in absolute terms versus our benchmark which fell by 3.7%. In terms of the underlying portfolio performance, the long book, before fees, lost 2.9% whilst the short book had a strong period generating 0.9% for the six months ended 30 November 2023 (for the full year, before fees), the long portfolio contributed -2.0% and the short portfolio contributed +0.4% respectively to NAV returns.

This takes the Company's total return for the financial year of 2023 to -2.3%, and although disappointing to report a loss it should be noted that the Company outperformed its benchmark by +3.7% over this same period, indeed outperforming in both the first half and the second half of our financial year.

For the purposes of this performance review we think it more instructive to comment specifically on the second half to avoid repeating the detailed write up of the first half presented in our interim financial statements. More detail in respect of performance attribution is set out in the table in the glossary on page 138.

The second consecutive year of losses for our benchmark reflects the significant negative sentiment that clouds UK and small and medium sized companies in particular. This is reflected in the fund flow data which shows November 2023

← The largest contributor to portfolio performance was pharmaceutical services specialist Ergomed, which announced a recommended cash offer from the Private Equity firm Permira at a 28% premium to the previous day's closing price.

Investment Manager's report

continued

marked the 28th consecutive month of outflows in UK small and mid-caps. It is my view that this pervasive selling pressure has resulted in a significant mispricing within UK small and mid-caps, evidenced by the low price-to-earnings ratio for the small and mid-cap universe (FTSE 250 10.5x and FTSE Small Cap 8.3x) but also the extent of relative underperformance versus the FTSE 100. To put this into context, the FTSE 250 has underperformed the FTSE 100 in 17 of the last 24 months, and now is the largest and longest period of relative underperformance on record, far exceeding the Great Financial Crisis.

However, despite the bearish views, persistently high inflation, a recession, and a collapse in corporate profitability, the second half of 2023 has given cause for more optimism reflecting falling inflation, strong employment and increasing consumer confidence. The underlying fundamentals (i.e. sales growth, margins, balance sheet strength, free cash generation) of many of the Company's holdings remain robust and company updates on the whole have been supportive. Of course, in any given year there will be disappointments, and this year is no exception, but in aggregate, I think the earnings of the Company's holdings and the broader small and mid-cap investment universe have proved far more resilient than many predicted.

Focusing on the biggest contributors and detractors for the second half, the largest contributor was **Ergomed** which announced a recommended cash offer from the Private Equity firm Permira at a 28% premium to the previous day's closing price. Whilst helpful to this period's performance we are incredibly disappointed to lose another of our genuinely differentiated and exciting UK mid-cap growth companies which we have had the privilege of owning for many years. We congratulate Miro Reljanovic (Founder and CEO) for all he has delivered and wish him the best. However, in our view Ergomed is a great example of the inherent value within the broader UK mid-cap complex (and our long book!), where many predominantly international earners, with strong balance sheets continue to grow, yet trade on significant valuation discounts to their US listed peers.

The second biggest contributor was our short position in a UK listed software company. After a meteoric rise, fuelled by news flow about very large contract wins, the shares were suspended earlier this year upon the detection of a fraud. After an independent investigation, it transpired most of those contract wins did not exist and 90% of bookings were fake. Revenues, rather than growing, were actually falling. After coming within days of running out of cash, the company completed a restructuring and rescue fund raising in July. We closed out our short in the placing 96% below the suspension price.

Long-term holding Dechra Pharmaceuticals, a specialist in veterinary pharmaceuticals and related products, received a cash offer from private equity group EQT.

Infrastructure products and galvanizing services supplier Hill & Smith was a notable contributor to performance.
PHOTO COURTESY OF HILL & SMITH / COLLEEN MURRAY

The third biggest contributor was from our long position in **Computacenter** which has continued to trade well, reporting a 24% year-over-year increase in organic gross invoice income at their interims, reflecting strong end market dynamics (digital transformation, cyber security, etc) and continued market share gains. Other notable contributors include **Tatton Asset Management**, **Games Workshop**, **Baltic Classified Group**, and **Hill & Smith**, all of which delivered successive positive updates throughout the period and ended with earnings higher than predicted at the start of the year.

Turning to the detractors, the biggest was from our long position in **CVS Group**, which fell sharply on the news that the Competition and Markets Authority (CMA) are launching an inquiry into how "veterinary services are bought and sold amid concerns that pet owners may not be getting a good deal or receiving the information needed to make good choices". Whilst we have spoken to management at length and also have experience of CMA Inquiries into other industries, due to the sensitivity of this we feel it imprudent to comment now. We still own this stock, which, at the time of writing, accounts for around 2.5% of NAV.

The second largest detractor was **WH Smith** which despite reporting continued solid trading throughout the period, fell back either due to the lack of an upgrade to full-year guidance or just general aversion to UK mid-cap growth companies. WH Smith remains a top 10 holding at the time of writing. The third largest detractor was **SigmaRoc** which also continued to deliver solid trading results throughout the period, reporting like for like revenue growth of 13% and a double-digit profit increase, yet the shares languished on 7x current year's earnings.

Portfolio positioning and outlook

2023 saw a continuation of many themes of uncertainty carried forward from 2022, and the market continued to grapple with the interplay between inflation, monetary and fiscal policy and corporate earnings. The overall positioning of the Company reflects our outlook which has not changed significantly over the last six months. As discussed in our interim report, my view remains that interest rates had peaked and inflation would fall markedly. As the year-on-year impact on inflation rolled over, the impending fall in utility bills would offer some meaningful shelter to those still to re-mortgage to a new higher priced fixed deal. Over a third of homeowners mortgage free, and a large percentage of the mortgage book having re-mortgaged earlier in 2023, there are many who will benefit from strong employment, falling utility costs and higher interest on cash. Indeed, many banks have upgraded their household cash flow forecasts through 2023 as a consequence and consumer confidence continues to remain robust. Generally speaking, financial conditions are not too stretched; corporates and consumers are reasonably well capitalised, and banks have plenty of capital. As such, the path of employment will dictate the consumer outlook, but we continue to expect the trough to be shallower than in previous downturns.

Investment Manager’s report
continued

> **“The Company now possesses many companies on single digit price to earnings ratios, with double digit FCF yields, but unlike so many archetypal “value” sectors, have far superior growth prospects.”**

For UK domestic focused PLCs, 2024 will likely see growing dispersion in financial returns as those with strong market share stories (digital, trading down, new product verticals, etc) will outperform and grow despite a more challenging backdrop. Input costs have now reversed for many and so the attention will focus on top line and in particular underlying volume growth as price will become a far less significant lever to flex. The converging valuations of many UK consumer shares has been a source of immense frustration for us, with well-capitalised market share winners, with high gross margins trading on similar price to earnings ratios and free cash flow yields to their far inferior peer group. We hope 2024 will mark the year of more dispersion in valuations between winners and losers which should benefit this Company well.

Housebuilding and RMI (Repair, Maintenance and Improvement) has had a tough 2023, but I continue to believe the outlook is far better than it was in September 2022, despite valuations in a similar place. In recent weeks I have added to housebuilders as well as RMI related plays, as in my view valuations are close to trough on earnings that are also close to trough so the recovery potential in both earnings and multiple is substantial. With positioning so extreme, we have seen only in recent days and weeks what implications that can have on these types of shares as falling borrowing costs, a steadying housing market and strong employment have forced a reappraisal.

We retain a significant exposure to industrials and our approach remains selective. Though industrial activity moderated in 2023, there have been many cross currents and dispersion between companies and sub sectors and geographies. Destocking has been a big theme in the sector, with supply chain issues initially leading to overordering, and then in turn overstocking (as supply chain issues resolved); this then led many businesses to destock, cutting orders and resulting in a slowdown in revenues. The stop-start nature of these supply chain issues throughout the year has impacted a range of geographies and sub sectors differently, as they are all at different points in the cycle. We got some of these dynamics right and some wrong in 2023.

Within General Industrial we noticed that quite a few of our companies flagged a recent pick up in their book-to-bill ratios in November and December 2023. Perhaps there is some genuine emerging evidence that several have turned a corner and growth can accelerate through 2024. Reshoring in the US, as well as several Government programmes (Chips, IRA) continues to provide additional tailwinds of growth for quite a few US focused, but UK listed, small and mid-caps we have exposure to e.g. Hill & Smith.

There is much that can be debated about the economic outlook, but we think the valuation of UK small and mid-cap companies is compelling. It is therefore with some sadness, that the great de-equitization of UK public sector continues. Non-market participants are seemingly taking a very different view on the value of company equity and thereby their associated cash flows, and this is evidenced by i) corporate share buy-backs (the majority of our investments are buying back their equity), ii) Corporate M&A (e.g. Deutsche's cash-bid for Numis), and iii) Private Equity (e.g. Permira’s acquisition of Ergomed, and EQT's acquisition of Dechra Pharmaceuticals). These were 3 holdings of the Company we were very sorry to see depart, and in the case of Ergomed and Dechra are the loss of holdings this Company has owned for many years. Alas, we expect this is a trend that will continue; private equity continues to sit on near record levels of cash (we estimate circa US$438 billion in Europe) which they are keen to deploy. A challenge for us will be to ensure we don’t let the significant disconnect in valuations away from strong fundamentals and future cash flow growth enable others to realise the inherent value available in our home market, denying us of compelling future returns just for a cash bid today. My hope is that this focuses the market on the opportunities in front of us and catalyses a re-rating.

Looking ahead to 2024, market volatility is unlikely to abate, and 2024 will mark a significant year for Elections worldwide which may well inject further turbulence into the macro backdrop. However, there are reasons for optimism. We enter 2024 with inflation and mortgage rates falling, whilst productivity and factory construction and corporate profits are rising. Labour markets are showing signs of softness but remain robust, and with low levels of unemployment many are experiencing the benefits of real wage growth for the first time in years, which should in time lead to higher services PMIs. Inventory balances are low after a prolonged period of destocking and so our hope is that manufacturing PMIs turn upwards which will boost the outlook for growth. As for inflation, we believe pressure will ease this year with deflationary pressures gaining traction during the course of 2024. Oil and gas prices are low (at the time of writing) amidst concerns of oversupply which will continue to alleviate pressure on corporate input costs and consumer wallets. In the US, the indications over recent weeks are that the Fed is likely to hold rates (with a bias to cut). As we've seen in the last couple of months, we think this has the potential to catalyse a broadening out of market leadership away from some very narrow areas of outperformance, both in the US and the UK, which overall should be a net positive for our positioning. In summary, the picture we see is one of a gradual recovery, and in our view this is not reflected in valuations of UK small and medium sized companies which we think offer compelling value in both absolute and relative terms. Indeed, the Company now possesses many companies on single digit price to earnings ratios, with double digit Free Cash Flow yields, but unlike so many archetypical "value" sectors, have far superior growth prospects. As a result, the net market exposure of the Company is slowly increasing and is now around 106%, while the gross is c.114%.

DAN WHITESTONE
BlackRock Investment Management (UK) Limited
2 February 2024

Portfolio

Construction materials leader Breedon was the largest holding in the portfolio at year end. The group supplies the construction industries in the UK and Ireland from more than 100 quarries and over 170 ready-mixed concrete plants.

PHOTO COURTESY OF BREEDON GROUP

PHOTOS COURTESY OF BREEDON, GAMMA COMMUNICATIONS, OXFORD INSTRUMENTS, GRAFTON GROUP, 4IMPRINT GROUP, WH SMITH, CVS GROUP.

Portfolio of investments

1 ▲ Breedon (2022: 12th)

Construction & Materials

Market value: £18,919,000
Share of net assets: 3.3% (2022: 2.4%)

Supplier of construction materials

2 ▲ Gamma Communications* (2022: 7th)

Mobile Telecommunications

Market value: £17,506,000
Share of net assets: 3.0% (2022: 2.8%)

Provider of communication services to UK businesses

3 ▼ Oxford Instruments (2022: 2nd)

Electronic & Electrical Equipment

Market value: £15,989,000
Share of net assets: 2.8% (2022: 3.1%)

Designer and manufacturer of tools and systems for industry and research

4 ▲ Grafton Group (2022: 13th)

Support Services

Market value: £15,915,000
Share of net assets: 2.8% (2022: 2.1%)

Builders' merchants in the UK, Ireland and Netherlands

5 ▲ YouGov* (2022: 11th)

Media

Market value: £15,642,000
Share of net assets: 2.7% (2022: 2.4%)

Provider of survey data and specialist data analytics

6 ▼ 4imprint Group (2022: 3rd)

Media

Market value: £15,344,000
Share of net assets: 2.7% (2022: 3.1%)

Supplier of promotional merchandise in the US

Portfolio of investments

continued

7 ▲ **Rotork** (2022: 23rd)

Electronic & Electrical Equipment

Market value: £14,498,000
Share of net assets: 2.5% (2022: 1.6%)

Manufacturer of industrial flow equipment

8 ▲ **WH Smith** (2022: 9th)

General Retailers

Market value: £14,285,000
Share of net assets: 2.5% (2022: 2.6%)

Retailer of books, stationery, magazines, newspapers and confectionary

9 ▲ **Computacenter** (2022: 16th)

Software & Computer Services

Market value: £13,978,000[1]
Share of net assets: 2.4% (2022: 2.0%)

Computer services

10 ▼ **CVS Group*** (2022: 5th)

General Retailers

Market value: £13,924,000
Share of net assets: 2.4% (2022: 2.9%)

Operator of veterinary surgeries

* Traded on the Alternative Investment Market (AIM) of the London Stock Exchange.
[1] Includes long derivative positions.
Percentages shown are the share of net assets.

The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract.

Percentages in brackets represent the portfolio holding as at 30 November 2022. Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 30 November 2022.

#	Company	£'000^	%	Description
11	**Tatton Asset Management*** Financial Services	12,693	2.2	Provision of discretionary fund management services to the IFA market
12	**Hill & Smith Holdings** Industrial Metals & Mining	12,513	2.2	Supplier of infrastructure products and galvanizing services
13	**Sigmaroc*** Construction & Materials	12,318	2.1	Buy-and-build group targeting construction materials assets in the UK and Northern Europe
14	**Moneysupermarket.com** Software & Computer Services	10,737[1]	1.9	Provider of price comparison website specialising in financial services
15	**IntegraFin** Financial Services	10,617[1]	1.8	UK savings platform for financial advisors
16	**Workspace Group** Real Estate Investment Trusts	10,540	1.8	Supply of flexible workspace to businesses in London
17	**Dunelm Group** General Retailers	10,383	1.8	Retailer of homeware products
18	**Watches of Switzerland** Personal Goods	10,314	1.8	Retailer of luxury watches
19	**Bytes Technology** Software & Computer Services	9,791	1.7	Specialist in software, security and cloud services
20	**Qinetiq Group** Aerospace & Defence	9,737	1.7	Provider of scientific and technological services to the defence, security and aerospace markets
21	**Boku*** Support Services	9,685	1.7	Digital payments platform
22	**Mattioli Woods*** Financial Services	9,410	1.6	Provider of wealth management services
23	**Chemring Group** Aerospace & Defence	9,245	1.6	Provider of technology products and services to aerospace, defence and security markets
24	**Morgan Sindall** Construction & Materials	8,930[1]	1.6	Supplier of office fit out, construction and urban regeneration services
25	**TT Electronics** Electronic & Electrical Equipment	8,913[1]	1.5	Global manufacturer of electronic components
26	**Baltic Classifieds Group** Software & Computer Services	8,905[1]	1.5	Operator of online classified businesses in the Baltics
27	**SIG** Industrial Support Services	8,526	1.5	Supplier of building, roofing and insulation products
28	**Future** Media	8,068	1.4	Multi-platform media business covering technology, entertainment, creative arts, home interest and education
29	**JET2*** Travel & Leisure	7,791	1.4	Low cost tour operator and airline
30	**GlobalData*** Media	7,177[1]	1.2	Data analytics and consulting
31	**Howden Joinery Group** General Retailers	7,010[1]	1.2	Kitchen and joinery product supplier
32	**Next Fifteen Communications*** Media	6,947	1.2	Provider of digital communication products and services
33	**Indivior PLC** Pharmaceuticals & Biotechnology	6,807	1.2	Pharmaceuticals business specialising in addiction and mental health treatments
34	**Deliveroo** Software & Computer Services	6,783	1.2	Online food delivery business
35	**Vesuvius** Industrial Engineering	6,564[1]	1.1	British engineered ceramics company
36	**Intermediate Capital Group** Investment Banking & Brokerage	6,147	1.1	Private equity business
37	**Luceco** Electronic & Electrical Equipment	6,131	1.1	Supplier & manufacturer of high quality LED lighting products
38	**Alfa Financial Software** Software & Computer Services	6,126	1.1	Provider of software to the finance industry

Portfolio of investments

continued

#	Company	£'000^	%	Description
39	**FTSE 250 Index Future** Financial Services	5,844[1]	1.0	Index future
40	**Robert Walters** Support Services	5,813	1.0	Provider of specialist recruitment services
41	**Cranswick** Food Producers	5,802	1.0	Producer of premium, fresh and added-value food products
42	**Londonmetric Property** Real Estate Investment Trusts	5,787[1]	1.0	Investor in, and developer of property
43	**Serica Energy*** Oil, Gas & Coal	5,685	1.0	Oil and gas producer
44	**Ascential** Software & Computer Services	5,498	1.0	Specialist information and data analytics company
45	**Bellway** Household Goods and Home Construction	5,429	0.9	UK housebuilder
46	**Kier Group** Support Services	5,318	0.9	UK construction, services and property group
47	**Euronext**[&] Financial Services	5,283[1]	0.9	European stock exchange
48	**Young & Co's Brewery** Travel & Leisure	5,234	0.9	Owner and operator of pubs mainly in the London area
49	**Lok'nStore*** Real Estate Investment & Services	5,200	0.9	Provider of self-storage space in the UK
50	**Hunting** Oil Equipment and Services	5,066[1]	0.9	Oil services business
51	**Hiscox** Non-life Insurance	5,024[1]	0.9	Provision of insurance services
52	**Sirius Real Estate** Real Estate Investment & Services	4,961	0.9	Owner and operator of business parks, offices and industrial complexes in Germany
53	**Auction Technology Group** General Retailers	4,861	0.8	Operator of marketplaces for curated online auctions
54	**OSB Group** Financial Services	4,831	0.8	Specialist lending business
55	**Judges Scientific*** Electronic & Electrical Equipment	4,719	0.8	Designer and producer of scientific instruments
56	**Xero***[&] Software & Computer Services	4,685[1]	0.8	Software company specialising in accounting for small businesses
57	**Games Workshop** Leisure Goods	4,630	0.8	Developer, publisher and manufacturer of miniature war games
58	**Herc Holdings**[&] Industrial Transportation	4,609[1]	0.8	Equipment rental business
59	**Porvair** Industrial Engineering	4,601	0.8	Specialist filtration and environmental technology
60	**AB Dynamics*** Industrial Engineering	4,400	0.8	Developer and supplier of specialist automotive testing systems
61	**Zotefoams** Chemicals	4,370[1]	0.8	Manufacturer of polyolefin foams used in sport, construction, marine, automation, medical equipment and aerospace
62	**Clarkson** Industrial Transportation	4,297	0.7	Provider of shipping services
63	**Victorian Plumbing*** Home Improvement Retailers	4,024[1]	0.7	Online retailer of bathroom products
64	**Polar Capital Holdings** Financial Services	3,984	0.7	Provider of investment management services
65	**Senior Plc** Aerospace & Defence	3,961	0.7	Specialist engineering business
66	**Crest Nicholson** Household Goods and Home Construction	3,959	0.7	UK housebuilder
67	**Babcock International Group** Aerospace & Defence	3,956	0.7	British aerospace, defence and nuclear engineering services company

#	Company	£'000^	%	Description
68	**Ashtead*** Oil, Gas & Coal	3,914	0.7	International equipment rental business
69	**TP ICAP** Investment Banking & Brokerage	3,736	0.6	Inter-dealer broker
70	**Permanent TSB** Banks	3,729	0.6	Irish bank
71	**Redrow** Household Goods and Home Construction	3,491	0.6	UK housebuilder
72	**Marshalls** Construction & Materials	3,443[1]	0.6	British construction materials group
73	**MJ Gleeson** Household Goods and Home Construction	3,301	0.6	UK housebuilder
74	**SThree** Support Services	3,258	0.6	Provider of specialist professional recruitment services
75	**Restore*** Support Services	3,251	0.6	Records management business
76	**Eckoh*** Software & Computer Services	3,166	0.5	Global provider of secure payments products
77	**GPE** Real Estate Investment Trusts	3,142[1]	0.5	Owner of commercial real estate in central London
78	**Spectris** Electronic & Electrical Equipment	3,133	0.5	Supplier of productivity enhancing instrumentation and controls
79	**Aston Martin** Automobiles & Parts	3,129	0.5	Luxury sports car manufacturer
80	**Accesso Technology*** Software & Computer Services	3,128[1]	0.5	Provider of ticketing and virtual queuing solutions
81	**DiscoverIE** Electronic & Electrical Equipment	3,025	0.5	International designer, manufacturer and supplier of customised electronics
82	**Renishaw** Electronic & Electrical Equipment	3,016	0.5	Engineering and scientific technology company
83	**Safestore** Real Estate Investment Trusts	2,957	0.5	Provider of self-storage units
84	**Rambus**[&] Technology Hardware & Equipment	2,929[1]	0.5	US listed chip and silicon IP producer
85	**Medpace Holdings**[&] Pharmaceuticals & Biotechnology	2,878[1]	0.5	Clinical research organization (CRO) conducting global clinical research for the development of drugs and medical devices
86	**Cerillion*** Software & Computer Services	2,838	0.5	Provider of billing, charging and customer management systems
87	**Ashmore Group** Financial Services	2,726[1]	0.5	Emerging market focused investment manager
88	**Kainos Group** Software & Computer Services	2,676[1]	0.5	Provider of digital technology solutions
89	**PayPoint** Industrial Support Services	2,619[1]	0.5	Digital payments business
90	**Impax Asset Management*** Financial Services	2,595	0.5	Provider of asset management services
91	**Dechra Pharmaceuticals** Pharmaceuticals & Biotechnology	2,442	0.4	Developer and supplier of pharmaceutical and other products focused on the veterinary market
92	**Advanced Medical Solutions*** Healthcare Equipment & Services	2,401[1]	0.4	Developer and manufacturer of advanced wound care solutions
93	**The Pebble Group*** Media	2,357	0.4	Designer and manufacturer of promotional goods
94	**Oxford Biomedica** Pharmaceuticals & Biotechnology	2,252[1]	0.4	Gene cell therapy
95	**Spirent** Technology Hardware & Equipment	2,224	0.4	Multinational telecommunications testing

Portfolio of investments

continued

#	Company	£'000^	%	Description
96	**Animalcare Group*** Pharmaceuticals & Biotechnology	2,024	0.4	Veterinary pharmaceuticals business
97	**XP Power** Electronic & Electrical Equipment	1,874	0.3	Leading provider of power solutions
98	**MaxCyte*** Pharmaceuticals & Biotechnology	1,816	0.3	Clinical-stage global cell-based therapies and life sciences company
99	**Big Technologies*** Software & Computer Services	1,684	0.3	Provider of remote personal monitoring products
100	**Gooch & Housego*** Electronic & Electrical Equipment	1,506	0.3	Designer and manufacturer of advanced photonic systems
101	**Team17*** Leisure Goods	1,504	0.3	Video game developer and publisher
102	**Vivendum** Industrial Engineering	912[1]	0.2	Manufacturer of hardware and software for the film industry
	Long investment positions (excluding BlackRock's Institutional Cash Series plc – Sterling Liquidity Fund)	**641,715**	**111.4**	
	Short investment positions	**(22,086)**	**(3.8)**	

[1] Includes long derivative positions
* Traded on the Alternative Investment Market (AIM) of the London Stock Exchange
& Holdings listed on exchanges outside of the UK
^ The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract

Percentages shown are the share of net assets.

At 30 November 2023, the Company held equity interests in six companies comprising more than 3% of a company's share capital as follows: Tatton Asset Management (4.1%); Sigmaroc (3.7%); TT Electronics (3.4%); Luceco (3.1%); Eckoh (3.1%); and Mattioli Woods (3.0%).

Fair value and gross market exposure of investments

as at 30 November 2023

	Fair value[1] £'000	Gross market exposure[2, 3] £'000	Gross market exposure as a % of net assets[2] 2023	2022
Long equity investment positions (excluding BlackRock's Institutional Cash Series plc – Sterling Liquidity Environmentally Aware Fund)	557,594	557,594	96.8	91.1
Long derivative positions	(1,120)	84,121	14.6	15.7
Subtotal of Long investment positions	**556,474**	**641,715**	**111.4**	**106.8**
Short investment positions	368	(22,086)	(3.8)	(2.5)
Subtotal of Long and Short investment positions	**556,842**	**619,629**	**107.6**	**104.3**
Cash and cash equivalents	24,022	(38,764)	(6.7)	(3.5)
Other net current liabilities	(4,940)	(4,940)	(0.9)	(0.8)
Net assets	**575,924**	**575,925**	**100.0**	**100.0**

The Company uses gearing through the use of long and short derivative positions. Gross and Net Gearing as at 30 November 2023 were 115.2% and 107.6% respectively (2022: 109.3% and 104.3% respectively). Gross and Net Gearing are Alternative Performance Measures, see Glossary on pages 135 to 138.

1 Fair value is determined as follows:
- Long equity investment positions are valued at bid prices where available, otherwise at latest market traded quoted prices.
- The exposure to securities held through long derivative positions directly in the market would have amounted to £85,241,000 at the time of purchase, and subsequent movement in market prices have resulted in unrealised losses on the long derivative positions of £(1,120,000) resulting in the value of the total long derivative market exposure to the underlying securities decreasing to £84,121,000 as at 30 November 2023. If the long positions had been closed on 30 November 2023, this would have resulted in a loss of £(1,120,000) for the Company.
- The notional exposure of selling the securities gained via the short derivative positions would have been £(22,454,000) at the time of entering into the contract, and subsequent movement in market prices have resulted in unrealised gains on the short derivative positions of £368,000 resulting in the value of the total short derivative market exposure of these investments increasing to £(22,086,000) at 30 November 2023. If the short positions had been closed on 30 November 2023, this would have resulted in a gain of £368,000 for the Company.

2 Gross market exposure for equity investments is the same as fair value; bid prices are used where available and, if unavailable, latest market traded quoted prices are used. For both long and short derivative positions, the gross market exposure is the market value of the underlying shares to which the portfolio is exposed via the contract.

3 The gross market exposure column for cash and cash equivalents has been adjusted to assume the Company traded direct holdings, rather than exposure being gained through long and short derivative positions.

Distribution of investments

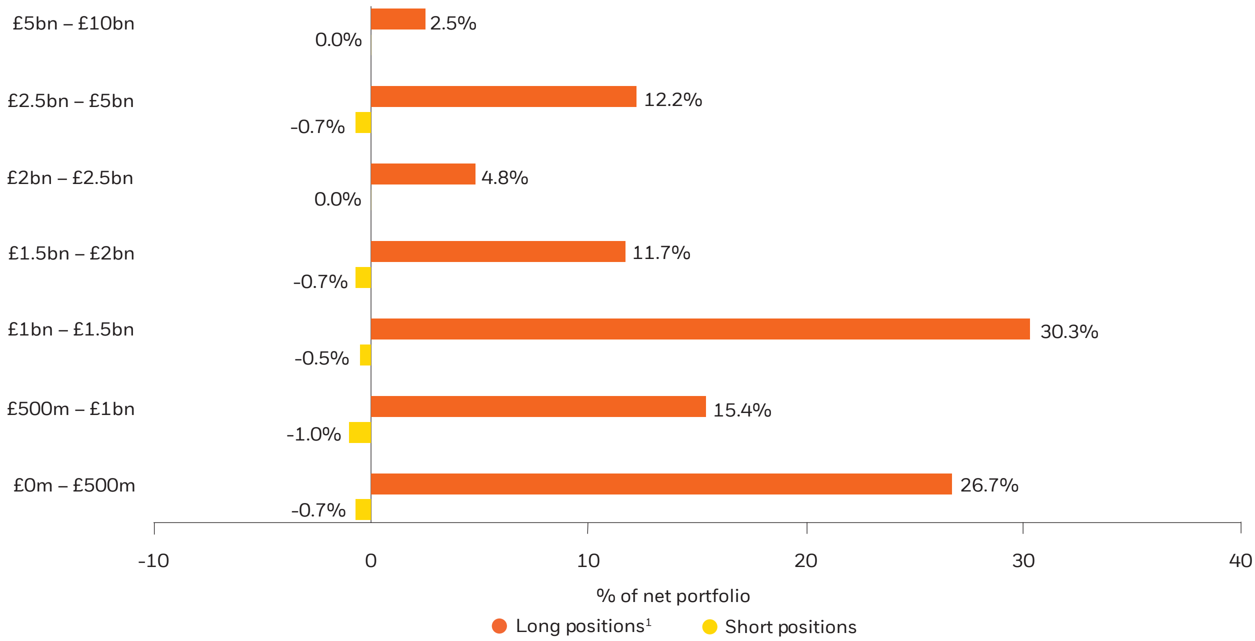
as at 30 November 2023

Sector	% of long portfolio	% of short portfolio	% of net portfolio
Oil, Gas & Coal	1.6	0.0	1.6
Oil Equipment and Services	0.8	0.0	0.8
Oil & Gas	**2.4**	**0.0**	**2.4**
Chemicals	0.7	0.0	0.7
Industrial Metals & Mining	2.0	0.0	2.0
Basic Materials	**2.7**	**0.0**	**2.7**
Aerospace & Defence	4.4	0.0	4.4
Construction & Materials	7.0	(0.4)	6.6
Electronic & Electrical Equipment	10.1	0.0	10.1
Industrial Engineering	2.7	0.0	2.7
Industrial Support Services	1.8	(0.2)	1.6
Industrial Transportation	1.4	(0.3)	1.1
Support Services	7.0	(0.2)	6.8
Industrials	**34.4**	**(1.1)**	**33.3**
Food Producers	1.0	0.0	1.0
Personal Goods	1.7	0.0	1.7
Consumer Staples	**2.7**	**0.0**	**2.7**
Healthcare Equipment & Services	0.4	0.0	0.4
Pharmaceuticals & Biotechnology	2.9	(0.2)	2.7
Health Care	**3.3**	**(0.2)**	**3.1**
Automobiles & Parts	0.5	0.0	0.5
Consumer Services	0.0	0.0	0.0
General Retailers	8.2	(0.7)	7.5
Home Improvement Retailers	0.6	0.0	0.6
Household Goods and Home Construction	2.6	0.0	2.6
Leisure Goods	1.0	0.0	1.0
Media	9.0	0.0	9.0
Travel & Leisure	2.1	0.0	2.1
Consumer Discretionary	**24.0**	**(0.7)**	**23.3**
Banks	0.6	0.0	0.6
Closed End Investments	0.0	(0.2)	(0.2)
Financial Services	9.4	(0.6)	8.8
Investment Banking & Brokerage	1.6	(0.4)	1.2
Non-life Insurance	0.8	0.0	0.8
Financials	**12.4**	**(1.2)**	**11.2**
Real Estate Investment & Services	1.6	0.0	1.6
Real Estate Investment Trusts	3.6	0.0	3.6
Real Estate	**5.2**	**0.0**	**5.2**
Software & Computer Services	12.9	(0.4)	12.5
Technology Hardware & Equipment	0.8	0.0	0.8
Technology	**13.7**	**(0.4)**	**13.3**
Mobile Telecommunications	2.8	0.0	2.8
Telecommunications	**2.8**	**0.0**	**2.8**
Total Investments	**103.6**	**(3.6)**	**100.0**

The above percentages are calculated on the net portfolio as at 30 November 2023. The net portfolio is calculated as long equity and derivative positions, less short derivative positions as at 30 November 2023.

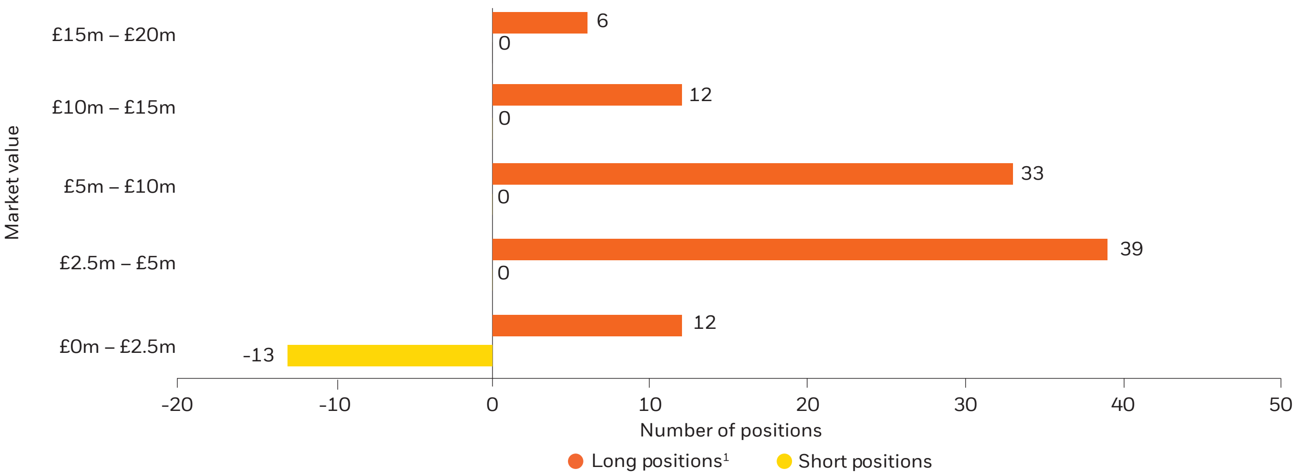
Analysis of the portfolio

Market capitalisation as at 30 November 2023



[1] The above investments may comprise exposures to long equity and long derivative positions.
Source: BlackRock.

Position size as at 30 November 2023

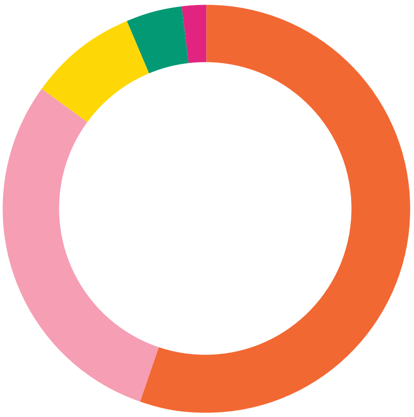


[1] The above investments may comprise exposures to long equity and long derivative positions.
Source: BlackRock.

Analysis of the portfolio
continued

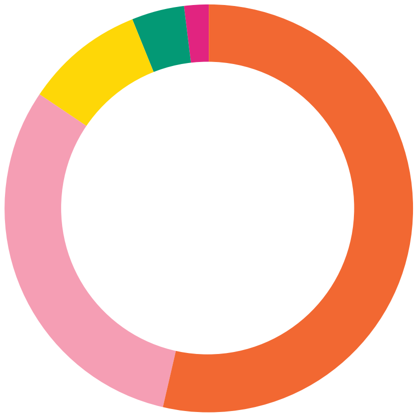
Portfolio holdings within Key Benchmark Indices

Gross Basis[1]



- FTSE 250 **55.5%**
- FTSE AIM **29.5%**
- FTSE Small Cap **8.7%**
- Other **4.5%**
- FTSE 100 **1.8%**

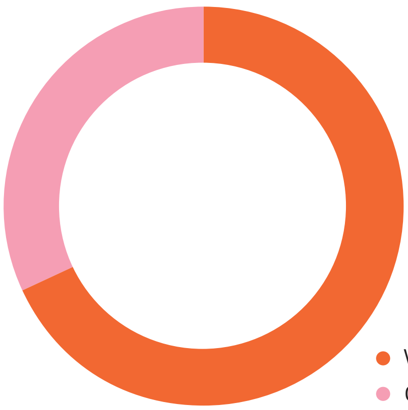
Net Basis[2]



- FTSE 250 **53.7%**
- FTSE AIM **30.8%**
- FTSE Small Cap **9.4%**
- Other **4.2%**
- FTSE 100 **1.9%**

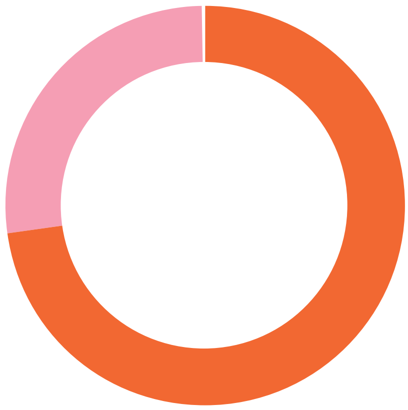
Portfolio holdings within Benchmark Index (the Numis Smaller Companies plus AIM (excluding Investment companies) Index)

Gross Basis[1,3]



- Within Benchmark **68.2%**
- Off-Benchmark **31.8%**

Net Basis[2,3]



- Within Benchmark **70.4%**
- Off-Benchmark **29.6%**

Source: BlackRock.

[1] Long exposure plus short exposure as a percentage of the portfolio in aggregate excluding investment in BlackRock's Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

[2] Long exposure less short exposure as a percentage of the portfolio excluding investment in BlackRock's Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

[3] Holdings included within the Benchmark Index as at 30 November 2022 were 58.6% on a Gross Basis and 56.8% on a Net Basis.

Governance

Another significant contribution to performance came from our long position in technology services company Computacenter, which reported a 24% year over year increase in organic gross invoiced income for the six months to June 2023.

Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that, as an investment company, the Company has no employees, the Directors are all non-executive and the investment management and administration functions are outsourced to the Manager and other service providers.

The Board

6 scheduled meetings per annum

Membership: Six Non-executive Directors (NED), all independent of the Investment Manager

Chairman: Christopher Samuel

Key objectives:

- To determine and review the investment policy, strategy and parameters;
- To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed, and the Company's assets to be safeguarded;
- To challenge constructively and scrutinise performance of all outsourced activities; and
- To establish the Company's remuneration policy and keep it under review.

Audit Committee[1]

3 scheduled meetings per annum*

Membership: All NEDs

Chairman: Angela Lane

Key objectives:

- To oversee financial reporting;
- To review the reporting of the auditor and the effectiveness of the audit;
- To consider the adequacy of the control environment and to review the Company's risk register; and
- To review the performance of the third party service providers.

* The Committee has considered developing best practice around the number of times the audit committee of a FTSE 250 company should meet each year and has concluded that three meetings is appropriate. The Committee believes that it is not the number of meetings held that determines its effectiveness, it is the robustness of the debate and challenge, and the scope, timeliness and quality of the information which the committee considers.

Management Engagement Committee[1]

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Christopher Samuel

Key objectives:

- To be responsible for the annual review of the performance of the Manager and Investment Manager; and
- To ensure that the provisions of the management agreement follow industry practice, remain competitive and are in the best interest of shareholders.

Nomination Committee[1]

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Christopher Samuel

Key objectives:

- To make recommendations for any new Board appointments;
- To review regularly the structure, size and composition of the Board; and
- To consider and make recommendations to the Board on matters of succession planning.

Remuneration Committee[1]

1 scheduled meeting per annum

Membership: All NEDs

Chairman: Nigel Burton

Key objectives:

- To make recommendations on remuneration of Directors; and
- To determine and recommend to the Board a policy on Directors' remuneration.

[1] Terms of reference for the committee are available at www.blackrock.com/uk/thrg

Directors' biographies

Christopher Samuel
Appointed 1 June 2016
Chairman

Christopher was Chief Executive of Ignis Asset Management from 2009 until its sale to Standard Life Investments in 2014. He was previously Chief Operating Officer at Gartmore and Hill Samuel Asset Management and a Partner at Cambridge Place Investment Management. He is currently a Non-executive Director of Quilter plc[1]. He was formerly the Chairman of JPMorgan Japanese Investment Trust plc and a Non-executive Director of Alliance Trust plc, UIL Limited and its subsidiary UIL Finance Limited. He qualified as a Chartered Accountant with KPMG.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

Louise Nash
Appointed 21 March 2019
Senior Independent Director

Louise was a UK Small and Mid-Cap fund manager, firstly at Cazenove Capital and latterly at M&G Investments which she left in 2015. She now works for family wine business Höpler and also acts as a consultant to JLC Investor Relations. Louise was previously a Non-executive Director of Stockdale Securities.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management and Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

[1] He is also a Non-executive Director of Quilter plc's subsidaries: Quilter Financial Planning, Quilter Investment Platform Limited and Quilter Life & Pensions Limited. The Board meetings for the Quilter plc subsidiaries are held at the same time and the role is considerably less onerous than that of a listed company. The Board has specifically considered the time commitment of the Chairman and is satisfied that he has sufficient time to effectively discharge his role and obligations to the Company.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Directors' biographies

continued

Nigel Burton
Appointed 21 December 2020
Non-executive Director
Chairman of the Remuneration Committee with effect from 1 December 2022.

Nigel spent over 14 years as an investment banker at leading City institutions including UBS Warburg and Deutsche Bank, including as the Managing Director responsible for the energy and utilities sector. He then spent 15 years as Chief Financial Officer or Chief Executive Officer of a number of private and public companies. Nigel is currently a Non-executive Director of AIM listed companies Microsaic Systems plc, eEnergy Group plc and Location Sciences Group plc. He was formerly a Non-executive Director of Mobile Streams plc, Digitalbox plc, Corcel plc, Modern Water plc, Alexander Mining plc and Chairman of Remote Monitored Systems plc.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

Angela Lane
Appointed 10 June 2020
Chairman of the Remuneration Committee until 30 November 2022.
Chairman designate of the Audit Committee

Angela previously spent 18 years working in private equity at 3i, becoming a partner in 3i's Growth Capital business managing the UK portfolio. Since 2007, Angela has held several non-executive and advisory roles for small and medium capitalised companies across a range of industries including business services, healthcare, travel, media, consumer goods and infrastructure. She is currently a Non-executive Director and Chairman of the Audit Committee of Pacific Horizon Investment Trust plc, Seraphim Space Investment Trust plc and Dunedin Enterprise Investment Trust plc. She is a Fellow of the Institute of Chartered Accountants in England and Wales.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Merryn Somerset Webb
Appointed 24 March 2021
Non-executive Director

Merryn has significant experience of financial matters through her role as a senior columnist for Bloomberg Opinion. She writes extensively on personal finance and features regularly on both radio and television. Merryn brings valuable investment trust specific experience. She was formerly a Non-executive Director of Baillie Gifford Shin Nippon PLC, Murray Income Investment Trust plc and Netwealth Investments Limited.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

Glen Suarez
Appointed 9 January 2023

Glen Suarez was appointed to the Board on 9 January 2023. He is an experienced director, having held both executive and non-executive roles. He is currently a Chairman of Impax Environmental Markets plc and chairman of the board of Knight Vinke Asset Management. He is a senior adviser to FMAP Limited, a consultancy founded by Lord Maude which advises governments on the implementation of public sector reform. Glen was chairman of The Edinburgh Investment Trust plc until July 2022 and was a committee member and co-chair of the Capital Markets Advisory Committee, an independent body advising the IASB on accounting issues and standards between 2014 and 2020. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Royal Society of Arts.

Attendance record:
Board: 6/6
Audit Committee: 3/3
Management Engagement Committee: 1/1
Nomination Committee: 1/1
Remuneration Committee: 1/1

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Strategic report

The Directors present the Strategic Report of the Company for the year ended 30 November 2023.

Principal activities

The Company is a public company limited by shares which carries on business as an investment trust and its principal activity is portfolio investment.

Objective

The Company's objective is to provide shareholders with long-term capital growth and an attractive total return through investment primarily in UK smaller and mid-capitalisation companies traded on the London Stock Exchange.

Strategy, business model, investment policy and investment process

The Company invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company and is its governing body. There is a clear division of responsibility between the Board and the Manager, BlackRock Fund Managers Limited (BFM). Matters for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing (both bank borrowings and the effect of derivatives), capital structure, governance, and appointing and monitoring of performance of service providers, including the Manager.

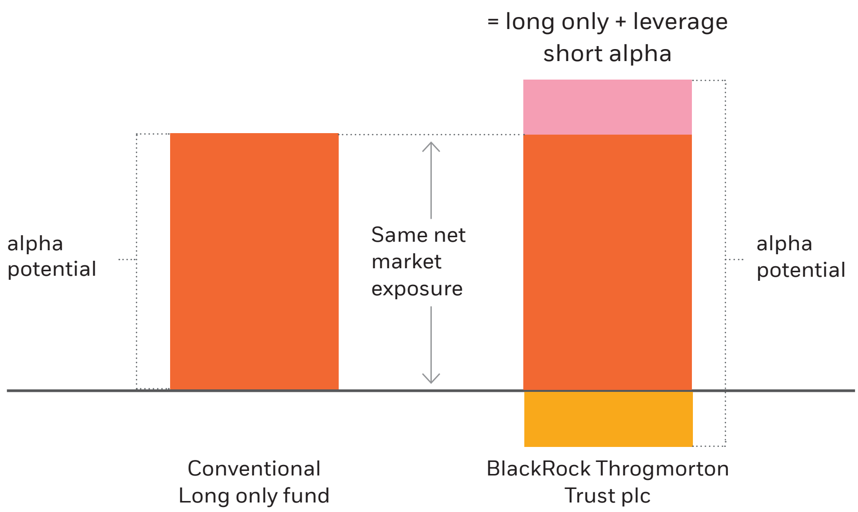
The Company's business model follows that of an externally managed investment trust; therefore the Company does not have any employees and outsources its activities to third party service providers, including the Manager who is the principal service provider.

The management of the investment portfolio and the administration of the Company have been contractually delegated to BFM. The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

Other service providers include the Depositary and the Fund Accountant, The Bank of New York Mellon (International) Limited, and the Registrar, Computershare Investor Services PLC. Details of the contractual terms with third party service providers are set out in the Directors' Report.

What makes BlackRock Throgmorton Trust plc different?

- A greater toolkit for outperformance
- Potential for enhanced outperformance generation through taking both long and short positions
- Potential to smooth out volatility of returns whilst maintaining exposure to the attractive, but sometimes volatile, asset class of UK smaller and mid-capitalisation companies
- Ability to flex overall market exposure to potentially reduce correlation to the market



A superior toolkit for outperformance

Risk management cannot fully eliminate the risk of investment loss. There is no guarantee that a positive investment outcome will be achieved. Source: BlackRock. For illustrative purposes only.

Investment Policy

The Company's performance is measured against the Numis Smaller Companies plus AIM (excluding Investment Companies) Index (the Benchmark Index). The Investment Manager, BlackRock Investment Management (UK) Limited (BIM (UK)), may invest in companies outside the Benchmark Index without restriction, subject to the following limits.

The Company may hold up to 15% of its gross assets, at the time of acquisition, in securities of companies which are listed or traded on a stock exchange outside the UK.

In addition to the normal long only portfolio, the Company will likely hold a mixture of long and short contracts for difference (CFDs) and/or comparable equity derivatives that would result in a typical net market exposure of between 100% and 115%. In extremis, the Company could deploy the full 30% of permissible leverage into short CFDs and/or comparable equity derivatives, thereby reducing its overall net market exposure to 70%.

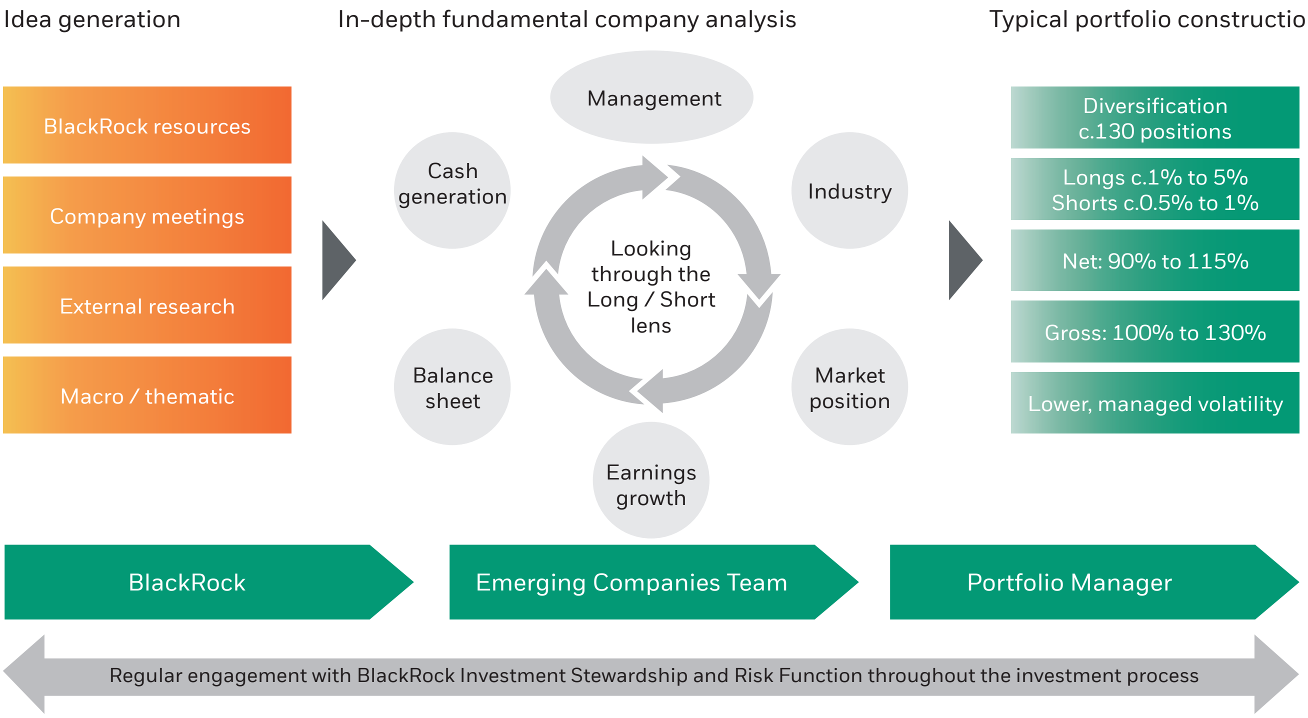
The Company may also invest up to 2.5% of its net assets (measured at the time of investment) in unquoted securities, including securities issued by companies incorporated outside the United Kingdom. However, the Company may invest more than 2.5%, but no more than 3.75%, of its net assets (both measured at the time of investment), in unquoted securities in circumstances where such investment is in an existing investee company and, in the Investment Manager's opinion, a failure of the Company to make such investment would have a material adverse effect on the value of the Company's investment in such investee company.

In addition, the Company is permitted to employ leverage up to 30% of net assets, which it does primarily through the use of CFDs and/or comparable equity derivatives, rather than bank borrowings, therefore enabling the Company to have a maximum net market exposure of 130%.

In normal circumstances the Company will likely hold a mixture of long and short CFDs and/or comparable equity derivatives that would result in a typical net market exposure of between 100% and 115%*.

* The AIC measures gearing at gross level, rather than net market exposure level (i.e. gearing is calculated as borrowings + long CFDs and/or comparable equity derivatives + short CFDs and/or comparable equity derivatives) and therefore the published gearing figures will be higher than the typical net market exposure of between 100% and 115%.

A clear investment process underpins portfolio construction



Source: BlackRock. Investment process subject to change. For illustrative purposes only.

Strategic report
continued

Portfolio risk will be mitigated by investment in a diversified portfolio of holdings. No more than 5% of the Company's gross assets, at the time of acquisition, may be invested in any one single holding, excluding holdings in cash or money market funds, where up to 10% of the Company's gross assets may be held. The Company may also invest in collective investment vehicles. However, the Company will not invest more than 10% of its gross assets, at the time of the acquisition, in other listed closed-ended investment funds, unless such companies have a stated investment policy not to invest more than 15% of their gross assets in other listed closed-ended investment funds, in which case the limit is 15% of gross assets.

The Board's policy is that net gearing, borrowings less cash, should not exceed 20% of gross assets. The Company expects to employ any leverage primarily through its use of CFDs and/or comparable equity derivatives.

No material change will be made to the investment objective and policy without shareholder approval.

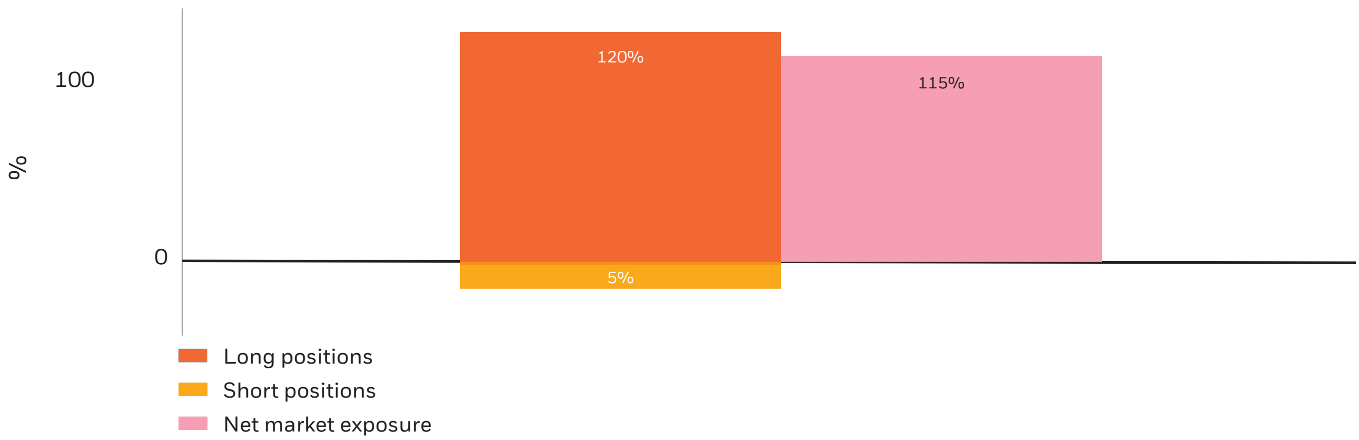
Investment process

A unique feature of the Company is that it has the ability to go both long and short up to approximately 30% of the Company's net assets.

Notwithstanding recent positive returns from UK small and mid-capitalisation companies, while the sector has generated positive returns over the long term, there can be significant volatility. Such an environment provides an attractive opportunity to add value via both long and short positions which can exploit share price moves whether up or down. As the maximum short portfolio exposure through derivatives is 30% of net assets, the Company will at all times retain an exposure to the market, as shown in the chart below. In the course of their research the investment management team comes across companies which they judge are likely to underperform; the ability to take short positions therefore enhances the opportunity to make money for shareholders. This is not possible in a conventional or long only portfolio.

When markets are expected to rise in the medium term, the long/short strategy is used to generate additional market exposure through ensuring that the long exposure exceeds the short exposure in a range between 0% to 15% of the net assets of the Company. Rising or 'bull' markets have historically (in the UK) persisted for longer than falling or 'bear' markets. A typical net market exposure might therefore be between 100% and 115%. This is lower than the 'gross exposure', which is the combination of the long equity positions, plus the net of long and short derivative positions expressed as a percentage of net assets.

Typical market positioning – % of NAV (115% net exposure)



Net market exposure is the long equity positions, plus the net of long and short derivative positions. For illustrative purposes only.

ESG integration

The Manager defines Environmental, Social and Governance (ESG) integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance risk-adjusted returns. This statement does not imply that the Company has an ESG-aligned investment objective, but rather describes how ESG information is considered as part of the overall investment process.

Of course, ESG information is not the sole consideration for investment decisions; instead, the Manager assesses a variety of economic and financial indicators which include ESG considerations in combination with other information in the research phase of the investment process to make investment decisions appropriate to their client's objectives. This may also include relevant third party insight, as well as internal engagement commentary and input from BlackRock Investment Stewardship (BIS) on governance issues. The Investment Manager conducts regular portfolio reviews with the BlackRock Risk and Quantitative Analysis (RQA) team. These reviews include discussion of the portfolio's exposure to material ESG risks, as well as exposure to sustainability-related business involvements, climate-related metrics, traditional financial risks and other factors.

The Manager's approach to ESG integration is to broaden the total amount of information its investment professionals consider in order to improve investment analysis, seeking to meet or exceed economic return and financial risk targets. ESG factors can be useful and relevant indicators for investment purposes and can help portfolio managers with their decision-making through identifying potentially negative events or corporate behaviour. The Investment Manager works closely with BIS to assess the governance quality of companies and understand any potential issues, risks or opportunities.

The Manager's research team monitors differing levels of risk throughout the process and believes that avoiding major downside events can generate significant outperformance over the long-term. Inputs from the RQA team are an integral part of the investment process. The RQA team analyse market and portfolio risk factors including stress tests, correlations, factor returns, cross-sectional volatility and attributions. The Manager's evaluation procedures and financial analysis of the companies within the portfolio also take into account environmental, social and governance matters and other business issues.

The Company does not meet the criteria for Article 8 or 9 products under the EU Sustainable Finance Disclosure Regulation (SFDR) and the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The Investment Manager has access to a range of data sources, including principal adverse indicator (PAI) data, when making decisions on the selection of investments. However, whilst BlackRock considers ESG risks for all portfolios and these risks may coincide with environmental or social themes associated with the PAIs, the Company does not commit to considering PAIs in driving the selection of its investments.

Further information on the Manager's approach to ESG and sustainability can be found in the report on Responsible Investing on page 55.

Performance

The Investment Manager's report on pages 13 to 17 includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends

The results for the Company are set out in the Statement of Comprehensive Income on page 94. The total loss for the year, after taxation, was £15,749,000 (2022: a loss of £295,888,000) of which the revenue return amounted to £16,510,000 (2022: £13,257,000) and a capital loss of £32,259,000 (2022: loss of £309,145,000).

Details of the dividends declared in respect of the year are set out in the Chairman's Statement on page 9.

Strategic report
continued

Key performance indicators
At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time, and which are comparable to those reported by other investment trusts, are set out in the table below. These KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA), and additional information explaining how these are calculated is set out in the Glossary on pages 135 to 138.

The Board monitors the KPIs at each meeting. Additionally, it regularly reviews a number of indices and ratios to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. This includes an assessment of the Company's performance and ongoing charges against its peer group of investment trusts with similar investment objectives.

	Year ended 30 November 2023	Year ended 30 November 2022
Net asset value total return[1,2]	(2.3)%	(31.1)%
Share price total return[1,2]	(0.8)%	(35.5)%
Benchmark Index total return[3]	(6.0)%	(17.5)%
Discount to cum income net asset value[2]	3.6%	5.0%
Revenue return per share	16.56p	12.95p
Total dividend per share	14.75p	11.10p
Ongoing charges[2,4]	0.54%	0.54%
Ongoing charges including performance fees[2,5]	0.87%	0.54%

1 This measures the Company's share price and NAV total return, which assumes dividends paid by the Company have been reinvested.

2 Alternative Performance Measures, see Glossary on pages 135 to 138.

3 The Company's Benchmark Index is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

4 Ongoing charges represent the management fee and all other operating expenses, excluding the performance fee, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items as a % of average daily net assets.

5 Ongoing charges represent the management fee, performance fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items as a % of average daily net assets. Further information on the management fees paid by the Company can be found in Note 4 to the financial statements on pages 102 and 103.

Share price discount/premium
The Directors recognise that it is in the long-term interests of shareholders that the Company's shares do not trade at an excessive discount or premium to their prevailing NAV for any material length of time. In the year under review the discount/premium to NAV of the ordinary shares on a cum income basis has ranged between a discount of 9.2% and 1.0%, with the average being a discount of 5.2%. The shares ended the year at a discount of 3.6% on a cum income basis. As at 31 January 2024 the discount was 6.1%.

As it does each year, the Board will also be seeking to renew the authority from shareholders at the AGM to issue new shares (or to reissue shares held in treasury) and to buy back shares. Further information on these powers and the Board's policy in this respect can also be found in the Chairman's Statement on pages 8 and 9.

Principal risks

As required by the UK Code of Corporate Governance, the Board has in place a robust, ongoing process to identify, assess and monitor the principal and emerging risks of the Company, including those that they consider would threaten its business model, future performance, solvency or liquidity. Emerging risks are considered by the Board as they come into view and are incorporated into the Company's risk register where applicable. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

A core element of this process is the Company's risk register, which identifies the risks facing the Company and the likelihood and potential impact of each risk, together with the controls established for mitigation. A residual risk rating is calculated for each risk, which allows the effect of any mitigating procedures to be reflected in the register. The current risk register includes a range of risks spread between investment performance risk, income/dividend risk, legal & regulatory risk, counterparty risk, operational risk, market risk, political risk and financial risk.

The risk register, its method of preparation and the operation of key controls in the Manager's and third party service providers' systems of internal control are reviewed on a regular basis by the Audit Committee. In order to gain a more comprehensive understanding of the Manager's and other third party service providers' risk management processes and how these apply to the Company's business, the Audit Committee periodically receives presentations from BlackRock's Internal Audit and Risk & Quantitative Analysis teams. Where produced, the Audit Committee also reviews summaries of the Service Organisation Control (SOC1) reports from the Company's service providers.

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors, are set out in the table on pages 43 to 46.

Investment performance

Principal risk

The Board is responsible for:

- setting the investment policy to fulfil the Company's objectives; and
- monitoring the performance of the Company's Investment Manager and the strategy adopted.

An inappropriate policy or strategy may lead to:

- poor performance compared to the Company's Benchmark Index, peer group or shareholder expectations;
- a widening discount to NAV;
- a reduction or permanent loss of capital; and
- dissatisfied shareholders and reputational damage.

Mitigation/Control

To manage these risks the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set, and regularly reviews, the investment guidelines and has put in place appropriate limits on levels of gearing and the use of derivatives;
- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio gearing and any changes in gearing and the rationale for the composition of the investment portfolio;
- receives from the Investment Manager regular reporting on the portfolio's exposure through derivatives, including the extent to which the portfolio is geared in this manner and the value of any short positions;
- monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with particular sectors, based on the diversification requirements inherent in the Company's investment policy; and
- monitors the share price discount or premium to NAV.

Market risk

Principal risk
Market risk arises from changes to the prices of the Company's investments. It represents the potential loss the Company might suffer through holding investments and derivatives. Market risk includes the potential impact of events which are outside the scope of the Company's control, such as Russia's invasion of Ukraine, the hostilities in the Middle East, and the impacts of climate change.

Mitigation/Control
The Board carefully considers the diversification of the portfolio, asset allocation, stock selection, unquoted investments and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager, and key market risk factors are discussed.

The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced with the COVID-19 pandemic and more recently the impact of Russia's invasion of Ukraine and the potential impact of the hostilities in the Middle East on the global economy. Unlike open-ended counterparts, closed-end funds are not obliged to sell down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed-end fund structure to remain invested for the long-term enables the Investment Manager to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.

Income/dividend risk

Principal risk
The amount of dividends and future dividend growth will depend on the performance of the Company's underlying portfolio holdings. Changes in the composition of the portfolio and any change in the tax treatment of the dividends or interest received by the Company may reduce the level of dividends received by shareholders.

Mitigation/Control
The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting. The Company also has a revenue reserve and powers to pay dividends from capital which could potentially be used to support the Company's dividend if required.

Financial risk

Principal risk
The Company's investment activities expose it to a variety of financial risks that include market risk, foreign currency risk and interest rate risk. At 30 November 2023, the Company had approximately 29.5% of its gross asset value invested in AIM traded equity securities and 4.5% of its gross assets in international markets, and, by the very nature of its investment objective, largely invests in smaller companies. Liquidity in these securities can from time to time become constrained, making these investments difficult to realise at or near published prices.

Mitigation/Control
The Company is not materially exposed to foreign currency and interest rate risk. For mitigation of market risk, see above. There are also risks linked to the Company's use of derivative transactions including long and short investment positions. Details are disclosed in note 11 on page 108, together with a summary of the policies for managing and controlling these risks in note 16.

Operational risk

Principal risk
In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by BlackRock (the Manager and AIFM) and The Bank of New York Mellon (International) Limited (the Depositary and Fund Accountant) who maintain the Company's accounting records.

Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records, as a result of a cyber-attack or otherwise, could impact the monitoring and reporting of the Company's financial position.

The security of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems.

Mitigation/Control

The Board reviews the overall performance of the Manager, Investment Manager and all other third party service providers and compliance with the investment management agreement on a regular basis.

The Fund Accountant's and the Manager's internal control processes are regularly tested and monitored throughout the year and are evidenced through their Service Organisation Control (SOC 1) reports, which are subject to review by an Independent Service Assurance Auditor. The SOC 1 reports provide assurance in respect of the effective operation of internal controls.

The Company's financial instruments held in custody are subject to a strict liability regime and in the event of a loss of such financial instruments held in custody, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate that the loss was a result of an event beyond its reasonable control.

The Board considers succession arrangements for key employees of the Manager and the Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of its review of the Company's risk register. In respect of the unprecedented risks posed by the COVID-19 pandemic in terms of the ability of service providers to function effectively, the Board has received reports from key service providers setting out the measures that they have put in place to address the crisis, in addition to their existing business continuity framework. Having considered these arrangements and reviewed service levels since the crisis has evolved, the Board is confident that a good level of service has and will be maintained.

The Board also receives regular updates from BlackRock's internal audit function and the Company's Audit Committee Chairman attends an annual briefing from the head of BlackRock's internal audit function once a year. This is supplemented by a written report which describes the progress made against the current internal audit plan, any issues identified and the plan for the forthcoming year.

Legal and regulatory risk

Principal risk

The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions, and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing its investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event the investment returns of the Company may be adversely affected. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.

Mitigation/Control

The Investment Manager monitors investment movements, the level of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached, and the results are reported to the Board at each meeting.

Following authorisation under the Alternative Investment Fund Managers' Directive as retained and onshored in the UK (AIFMD), the Company and its appointed Alternative Investment Fund Manager (AIFM) are subject to the risks that the requirements of the AIFMD are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.

Compliance with the accounting standards applicable to quoted companies and those applicable to investment trusts are also regularly monitored to ensure compliance.

Risk of regulatory change

Principal risk

Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive (as retained and onshored in the UK), the Market Abuse Regulation (also as retained and onshored in the UK), the UK Listing Rules and the Disclosure Guidance and Transparency Rules.

Mitigation/Control

The Company Secretary and the Company's professional advisers monitor developments in relevant laws and regulations and provide regular reports to the Board in respect of the Company's compliance.

The Market Abuse Regulation came into force across the EU on 3 July 2016 and has been retained and onshored in the UK following Brexit. The Board has taken steps to ensure that individual Directors (and their Persons Closely Associated) are aware of their obligations under the regulation and has updated internal processes, where necessary, to ensure the risk of non-compliance is effectively mitigated.

Counterparty

Principal risk

The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments. The Company's investment policy also permits the use of both exchange-traded and over-the-counter derivatives (including contracts for difference).

Mitigation/Control

Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Board reviews the controls put in place by the Investment Manager to monitor and to minimise counterparty exposure, which include intra-day monitoring of exposures to ensure that these are within set limits.

The Depositary is liable for restitution for the loss of financial instruments held in custody, unless it is able to demonstrate that the loss was due to an event beyond its reasonable control.

Viability statement

The Directors have assessed the prospects of the Company over a longer period than the 12 months referred to by the "Going Concern" guidelines.

The Board conducted this review for the period up to the AGM in 2029, being a five-year period from the date that this Annual Report will be approved by shareholders. This is generally the investment holding period investors consider while investing in the smaller companies' sector. The Board is cognisant of the uncertainty surrounding the potential duration of the Russia/Ukraine conflict and the hostilities in the Middle East, their impact on the global economy, and the prospects for the Company's portfolio holdings. In making its assessment the Board has also considered the following factors:

- the Company's principal risks as set out on pages 43 to 46;
- the impact of a significant fall in UK equity markets on the value of the Company's investment portfolio in the light of the heightened volatility resulting from the ongoing Russia/Ukraine conflict, the hostilities in the Middle East, and any potential impact on the global economy, and the path of inflation and interest rates in the UK;
- the ongoing relevance of the Company's investment objective; and
- the level of demand for the Company's shares.

The Directors have also considered the Company's revenue and expense forecasts and the fact that expenses and liabilities are relatively stable. The Company also has a portfolio of investments which provides a level of cash receipts in the form of dividends and which are considered to be relatively realisable if required.

The Directors reviewed the assumptions and considerations underpinning the Company's existing going concern assertion (please see the disclosure in the Directors' Report on page 60), which are based on:

- processes for monitoring costs;
- key financial ratios;
- evaluation of risk management and controls;
- compliance with the investment objective;
- the Company's ability to meet its liabilities as they fall due;
- portfolio risk profile;
- share price discount to NAV;
- gearing;
- counterparty exposure and liquidity risk;
- the operational resilience of the Company and its key service providers and their ability to continue to provide a good level of service for the foreseeable future; and
- the effectiveness of business continuity plans in place for the Company and key service providers.

The Company has a relatively liquid portfolio and largely fixed overheads (excluding any applicable performance fees) which comprise a very small percentage of net assets 0.54% excluding performance fees, 0.87% including performance fees in 2023. The effective performance fee cap in the event that the NAV return exceeds the Benchmark Index return over the performance period is circa 0.90% of the average gross assets over the two years and the applicable percentage to be applied to the outperformance of the NAV total return over the Benchmark Index return is 15%. In addition, the maximum cap on total management and performance fees is 1.25% of average gross assets (measured over a rolling two-year period). Therefore, the Board has concluded that the Company would be able to meet its ongoing operating costs as they fall due.

The Directors have also considered the impact of potential changes in law, regulation and taxation and the matter of foreign exchange risk. They have determined that although there are a number of potential risks associated with the legal, fiscal and regulatory landscape they do not believe that this represents a material threat to the Company's strategy and business model, nor do they believe that the Investment Manager will be materially impeded in achieving the Company's investment objective.

Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Section 172 statement: Promoting the success of BlackRock Throgmorton Trust plc

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain more fully how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This enhanced disclosure covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions.

As the Company is an externally managed investment company and does not have any employees or customers, the Board considers the main stakeholders in the Company to be the shareholders and the key service providers (being the Manager and Investment Manager, the Custodian, Depositary, Registrar and Broker). The reasons for this determination, and the Board's overarching approach to engagement, are set out in the table below:

Stakeholders

Shareholders

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering long-term growth and income.

In turn, portfolio holdings are ultimately shareholders' assets, and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy.

Manager and Investment Manager

The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.

Other key service providers

In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the FCA and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board, either directly or through the Manager, maintains regular contact with its key external providers and receives regular reporting from them through the Board and Committee meetings, as well as outside of the regular meeting cycle.

Strategic report
continued

A summary of the key areas of engagement undertaken by the Board with its key stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out in the table below.

Investment mandate and objective

Issue

The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long-term. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.

Engagement

The Board works closely with the Investment Manager throughout the year in further developing our investment strategy and underlying policies, not simply for the purpose of achieving the Company's investment objective but in the interests of shareholders and future investors.

The Board is kept advised in respect of the Manager's consideration of ESG factors as part of the investment process; a summary of BlackRock's approach to ESG matters is set out on page 53.

Impact

Details regarding the Company's NAV and share price performance can be found in the Chairman's Statement on page 7 and in the Strategic Report on page 42.

The portfolio activities undertaken by the Manager can be found in the Investment Manager's Report on pages 13 to 17.

Management of the share rating

Issue

The Board believes that the best way of addressing the discount over the longer term is to continue to generate good performance and to create demand for the Company's shares in the secondary market through broadening awareness of the Company's unique structure. The Board believes that it is in shareholders' interests that the share price does not trade at an excessive premium or discount to NAV. Therefore, where deemed to be in shareholders' long-term interests, it may exercise its powers to issue shares or buy back shares with the objective of ensuring that an excessive premium or discount does not arise.

Engagement

The Manager reports total return performance statistics to the Board on a regular basis, along with the portfolio yield and the impact of dividends paid on brought forward distributable reserves.

The Board reviews the Company's discount/premium to NAV on a regular basis and holds regular discussions with the Manager and the Company's broker regarding the discount/premium level.

The Board believes that the best way of maintaining the share rating at an optimal level over the long-term is to create demand for the shares in the secondary market. To this end the Investment Manager is devoting considerable effort to broadening the awareness of the Company, particularly to wealth managers and to the wider retail shareholder market.

The Manager provides the Board with feedback and key performance statistics regarding the success of the Company's marketing initiatives.

Impact

The average discount for the year to 30 November 2023 was 5.2%. During the year the Company's share price has traded between a discount of 9.2% and 1.0%.

Service levels of third party providers

Issue

The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service including: the Manager in respect of investment performance and delivering on the Company's investment mandate; the Depositary in respect of its duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries and the Company's Brokers in respect of the provision of advice and acting as a market maker for the Company's shares.

Engagement

The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources.

The Board performs an annual review of the service levels of all third party service providers and concludes on their suitability to continue in their role.

The Board has received updates in respect of business continuity planning from the Company's Manager, Depositary, Fund Administrator, Brokers, Registrar and Printers, and is confident that arrangements are in place to ensure that a good level of service will continue to be provided.

Impact

Performance evaluations were performed on a timely basis and the Board concluded that all third party service providers, including the Manager, Depositary and Fund Administrator were operating effectively and providing a good level of service.

Board composition

Issue

The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the UK Corporate Governance Code, including guidance on tenure and the composition of the Board's committees.

Engagement

During the year the Board undertook a review of succession planning arrangements and identified the need for action to ensure that the composition of the Board remained appropriate and that there was an ongoing process of refreshment, bringing in new ideas and different perspectives. The Board, through its Nomination Committee, agreed the selection criteria and the method of selection, recruitment and appointment. Board diversity, including factors such as age, ethnicity, and gender, was taken into account when establishing the criteria.

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions in respect of the 2023 evaluation process are given on page 68). All Directors stand for re-election by shareholders annually. Shareholders may attend the AGM and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chairman using the details provided on page 131 if they wish to raise any issues.

Impact

The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in 2023. Details for the proxy voting results in favour and against individual Directors' re-election at the 2023 AGM are given on the Company's website at www.blackrock.com/uk/thrg.

Shareholders

Issue
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.

The dividend is funded out of current year revenue and, where deemed appropriate, may be supported from revenue reserves if current year revenue is insufficient. The Company does not have a policy of seeking income, however, the portfolio has, to date, continued to deliver a level of income such that the Board is able to pay an attractive dividend.

Engagement
The Board is committed to maintaining open channels of communication and to engaging with shareholders and welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders therefore have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Chairman and Senior Independent Director also meet directly with shareholders providing a forum for canvassing their views and enabling the Board to be aware of any issues of concern.

The Annual Report and Half Yearly financial report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the website at www.blackrock.com/uk/thrg.

The Board also works closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with shareholders in respect of the investment mandate and objective. Unlike trading companies, shareholder meetings usually take the form of a meeting with the Investment Manager as opposed to members of the Board. As well as attending regular investor meetings the Investment Manager holds regular discussions with wealth management desks and offices to build on the case for, and understanding of, long-term investment opportunities in the UK smaller companies' sector.

However, the Board is ultimately responsible for communication with shareholders and all substantive matters arising from such communication are referred to the Board.

The Manager also coordinates public relations activity, including meetings between the Investment Manager and relevant industry publications to set out their vision for the portfolio strategy and outlook for the UK equity market. The Manager releases the daily NAV and monthly portfolio updates to the market to ensure that investors are kept up to date in respect of performance and other portfolio developments and maintains a website on behalf of the Company that contains relevant information in respect of the Company's investment mandate and objective. If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time.

The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. He may be contacted via the Company Secretary whose details are given on page 131.

Impact
The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable.

Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager.

The Investment Manager attended professional investor meetings and held discussions with a range of different wealth management desks and offices in respect of the Company during the year under review. Investors were also impressed with the wide pool of resource available through BlackRock's Emerging Companies team, and the rigorous 'bottom-up' investment approach.

Responsible Investing

Issue
Consideration of material Environmental, Social and Governance (ESG) information and sustainability risks are considered when making investment decisions. Sustainbility-related risks, including climate-related risks, are becoming a defining factor in companies' long-term prospects across the investment spectrum, with significant and lasting implications for economic growth and prosperity.

Engagement
The Board believes that responsible investment and sustainability are integral to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager to regularly review the Company's performance, investment strategy and underlying policies to ensure that the Company's investment objective continues to be met in an effective, responsible and sustainable way in the interests of shareholders and future investors.

The Investment Manager's approach to the consideration of ESG factors in respect of the Company's information and consideration of sustainability risks are kept under review by the Board.

The Investment Manager reports to the Board in respect of its consideration of sustainability risks and these are integrated into the investment process; a summary of BlackRock's approach to ESG integration is set out on page 41. The Investment Manager's engagement and voting policy is detailed on pages 58 and 59.

Impact
The Investment Manager believes there is often a positive correlation between good ESG practices on the part of portfolio companies and investment performance. Details of the Company's performance in the year are given in the Chairman's Statement on page 7 and the Performance Record on page 4.

The Board's approach to ESG

Environmental, Social and Governance (ESG) issues can present both opportunities and risks to long-term investment performance. The Company does not have an ESG mandate (and accordingly does not have an ESG or impact focused investment strategy and has not adopted any exclusionary screens) but our Investment Manager does take ESG factors into account as part of the investment process as these elements can significantly influence a company's valuation. These ESG issues are a key focus of the Board, and the Board is committed to a diligent oversight of the activities of the Manager in these areas. The Board is aware of the Company's long-term underweight position in extractive industries, where innovative and disruptive business models are rare and the non-participation in some capital raises where ESG factors have been a concern.

The Board believes multi-year engagement and dialogue with management is, in most cases, the most constructive way of building understanding of an investee company's approach to addressing material business risks and opportunities. This is particularly true for our Manager given the extent of BlackRock's shareholder engagement. Further detail of how our Manager has voted and engaged with the companies in our portfolio can be found on pages 58 and 59.

As well as the understanding afforded by its sheer scale, the Board believes that BlackRock is well placed as Manager to fulfil these requirements due to its approach to ESG integration and its application of this to the Company's investment processes, the emphasis it places on sustainability, its investment stewardship approach and its position in the industry as one of the largest suppliers of sustainable investment products in the global market. More information on BlackRock's approach to sustainability and investment stewardship is set out on page 55.

Future prospects
The Board's main focus is on the achievement of capital growth and the future of the Company is dependent upon the success of the investment strategy. The outlook for the Company is discussed in the Chairman's Statement on page 11 and in the Investment Manager's Report on pages 13 to 17.

Social, community and human rights issues
As an investment trust, the Company has no direct social or community responsibilities. However, the Company believes that it is in shareholders' interests to consider human rights issues, and environmental, social and governance factors when selecting and retaining investments. Details of the Company's approach to socially responsible investment is set out above and on page 55.

Strategic report
continued

Modern Slavery Act
As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. The Board considers the Company's supply chain, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Directors, gender representation and employees
The Directors of the Company on 30 November 2023, all of whom held office throughout the year, are set out on pages 35 to 37. The Board recognises the importance of having a range of experienced Directors who, both individually and collectively, possess a suitable balance of skills, knowledge, independence and diversity to enable it to fulfil its obligations. As at 30 November 2023, the Board consisted of three men and three women, resulting in 50% female representation. The Company has no employees, and all of its Directors are non-executive. Therefore, there are no disclosures to be made in respect of employees.

The Chairman's Statement on pages 6 to 11 and the Investment Manager's Report on pages 13 to 17 form part of this Strategic Report.

The Strategic Report was approved by the Board at its meeting on 2 February 2024.

By order of the Board

KEVIN MAYGER
for and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

BlackRock Investment Stewardship

Investment stewardship approach

Consistent with BlackRock's fiduciary duty as an asset manager, BlackRock Investment Stewardship (BIS) seeks to support investee companies in their efforts to deliver long-term financial value on behalf of their clients. These clients include public and private pension plans, governments, insurance companies, endowments, universities, charities and, ultimately, individual investors, among others. BIS serves as a link between BlackRock's clients and the companies they invest in. Clients depend on BlackRock to help them meet their investment goals; the business and governance decisions that companies make may have a direct impact on BlackRock's clients' long-term investment outcomes and financial wellbeing.

The Company's Investment Manager works closely with BlackRock's Investment Stewardship team to assess the governance quality of companies and business practices, and better understand any potential issues, risks or opportunities. The Investment Manager uses this information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio.

Global Principles

The BIS Global Principles, regional voting guidelines, and engagement priorities (collectively, the "BIS policies") set out the core elements of corporate governance that guide BIS' investment stewardship efforts globally and within each regional market, including when engaging with companies and voting at shareholder meetings when authorized to do so on behalf of clients. Each year, BIS reviews its policies and updates them as necessary to reflect changes in market standards and regulations, insights gained over the year through third-party and its own research, and feedback from clients and companies.

Regional proxy voting guidelines

BIS' regional voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BIS applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engages as necessary. BIS reviews its voting guidelines annually and updates them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year. BIS' regional voting guidelines are available on its website at www.blackrock.com/corporate/about-us/investment-stewardship#stewardship-policies.

BlackRock is committed to transparency in terms of disclosure of its stewardship activities on behalf of clients. BIS publishes its stewardship policies – such as the BIS Global Principles, regional voting guidelines, and engagement priorities – to help BlackRock's clients understand its work to advance their interests as long-term investors in public companies. Additionally, BIS publishes both annual and quarterly reports detailing its stewardship activities, as well as vote bulletins that describe its rationale for certain votes at high profile shareholder meetings.

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-Related Financial Disclosures (TCFD) provides a valuable framework. BlackRock recognises that reporting to these standards requires significant time, analysis and effort. BlackRock's 2022 TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2022-blkinc.pdf.

The above forms part of the Strategic Report.

Directors' report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 November 2023.

Status of the Company

The Company carries on business as an investment trust. It has been approved by HM Revenue & Customs as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company is domiciled in the UK as an investment company within the meaning of Section 833 of the Companies Act 2006. It is not a close company and has no employees.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of the Alternative Investment Fund Managers' Directive (AIFMD) (as implemented and transposed into UK law). The Company is governed by the provisions of the UK Alternative Investment Fund Managers Regulations 2013 (the Regulations) and is required to be authorised by the Financial Conduct Authority (FCA). It must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the BlackRock website at www.blackrock.com/uk/thrg, the Regulatory Disclosures section on pages 132 to 135 and in note 16 of the Notes to the Financial Statements on pages 111 to 122.

The Company's ordinary shares are eligible for inclusion in the Stocks & Shares component of an Individual Savings Account (ISA).

Facilitating retail investments

The Company currently conducts its affairs so that its shares can be recommended by an Independent Financial Advisor to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

The Common Reporting Standard

Tax legislation under The OECD (Organisation for Economic Co-operation and Development) Common Reporting Standard for Automatic Exchange of Financial Account Information (The Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. The Company will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders, and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders entered onto the share register, excluding those whose shares are held in CREST, will be sent a certification form for the purposes of collecting this information.

Dividends

Details of dividends paid and payable are set out in the Chairman's Statement on page 9.

Investment management and administration

BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014. The management contract is terminable by either party on six months' notice.

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Company Secretary of the Company throughout the year.

BFM receives a base management fee of 0.35% of gross assets per annum (calculated on the month end gross assets of the Company, including the economic exposure of the total long and short positions and index futures less current liabilities).

BFM is also entitled to a performance fee of 15% of Net Asset Value (NAV) total return outperformance of the Benchmark Index measured and annualised on a two-year rolling basis and applied on the average gross assets over two years. The performance fee has an effective cap of circa 0.9% of average gross assets over that period. Outperformance is the amount by which the Fund Return arithmetically exceeds the Benchmark Return. The cap applies as a result of the maximum cap on total management and performance fees of 1.25% of average gross assets over a rolling two-year period.

The fee structure also includes a mechanism by which any cumulative previous underperformance versus the Benchmark Index return must be made good before any future performance fee can be generated. Conversely, any outperformance which has not been remunerated as a result of the application of the maximum cap on total fees of 1.25% (as above) may be carried forward solely for the purposes of being applied to net off against any underperformance not yet made good. The performance fee model for the Company operates on a rolling two-year period, with an effective annual cap of circa 0.9% on average gross assets over two years. On the first day of the financial year outperformance from the previous financial year (if any) is carried forward and accrued in the daily NAV released to the London Stock Exchange.

For the year ended 30 November 2023, the total accrual of performance fee for all rolling two year performance periods amounted to £2,014,000 (2022: £nil;), calculated as follows:

- For the annualised rolling two-year performance period to 30 November 2023, the Company has underperformed the benchmark by 5.9% as at 30 November 2023. No performance fee relating to this performance period has been accrued at the date of this report.
- For the annualised rolling two-year performance period to 30 November 2024, the Company has outperformed the benchmark by 1.9% as at 30 November 2023. A performance fee of £2,014,000 relating to this performance period has been accrued at the date of this report, which does not become payable until 30 November 2024, subject to the ongoing performance of the Company.

The Board believes that the fee structure is appropriately aligned to the Company's activities, investment objective and shareholder interests. The low base fee minimises the costs borne by shareholders, whilst the performance fee is designed to reward the Manager at a level acceptable to shareholders for the generation of superior performance.

Further details of the management fees are disclosed in note 4 on pages 102 and 103.

No penalty on termination of the investment management agreement is payable by the Company in the event that six months' written notice is given to BFM. There are no provisions relating to payment of fees in lieu of notice.

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represented 0.025% per annum of its net assets (£624.7 million as at 31 December 2022) and this contribution is matched by BIM (UK).

For the year ended 30 November 2023, £149,000 including VAT (2022: £153,000 including VAT) has been accrued in respect of these initiatives. The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

BFM and BIM (UK) are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange and operating as an independent firm.

Appointment of the Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review, the Board considers the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board believes that the continuing appointment of BFM (the Manager) as AIFM, and the delegation of investment management services to BIM (UK) (the Investment Manager), on the terms disclosed above, is in the interests of shareholders as a whole. The specialist nature of the Company's investment remit is, in the Board's view, best served by the Emerging Companies team at BlackRock, which has a proven track record in successfully investing in this sector.

Directors' report

continued

Depositary and Custodian

The Company has appointed The Bank of New York Mellon (International) Limited as its Depositary (the Depositary or BNYM). Its duties and responsibilities are outlined in the investment fund legislation (as contained in the FCA AIF Rulebook). The main role of the Depositary under the AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring the value of the Company's shares is calculated appropriately in accordance with the relevant regulations and guidance. The Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depositary receives a fee payable at 0.0095% of the net assets of the Company. The Company has appointed the Depositary in a tripartite agreement to which BFM as AIFM is also a signatory. The Depositary is also liable for loss of financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to BNYM which also receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. Custody fees of £7,000 (2022: £8,000) were paid to BNYM. The depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation and compliance with the Common Reporting Standard.

The Registrar receives a fixed fee, plus disbursements and VAT. Fees in respect of corporate actions are negotiated as and when they arise. Registrar fees of £44,000 (2022: £45,000) were paid to the Registrar.

Derivative counterparties

The Company transacts with multiple counterparties for transacting in derivatives. At 30 November 2023, the Company had master agreements with BNP Paribas, Société Générale, Merrill Lynch and JPMorgan, to enable the Company to gain long and short exposure on individual securities through derivatives. Further details are given in note 16 on pages 111 to 122.

Change of control

There are no agreements which the Company is party to that might be affected by a change in control of the Company.

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager, whose policy is set out below. BlackRock's approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BlackRock believes that sound corporate governance and sustainable business models contribute to companies' long-term financial performance and thus to better risk-adjusted returns.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship (BIS) team, located in nine offices around the world. Collectively within BIS, 18 languages are spoken and 31 academic disciplines are represented. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better-informed dialogue with companies. The BIS team draws upon its own expertise, as well as other internal and external resources globally, to represent the long-term economic interests of clients. Active portfolio managers with positions in a company can vote their shares independently of BIS based on their views of what is best for their specific fund and client base.

BIS' Global Principles and regional proxy voting guidelines, updated every year, form the foundation of the team's engagement with companies and voting decisions at shareholder meetings on behalf of clients. The voting guidelines are principles-based and not prescriptive because in BlackRock's view that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BlackRock believes is in the long-term economic interests of clients. The Global Principles are published on BlackRock's website at: www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

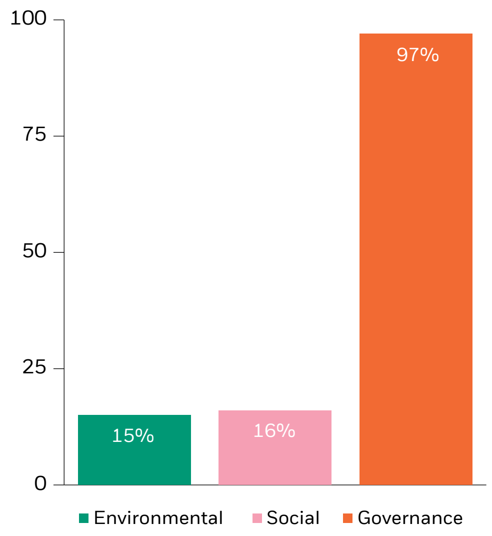
During the year under review, the Investment Manager voted on 1,518 proposals at 103 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well-run companies, but voted against 42 management resolutions and abstained or withheld from voting on 7 resolutions. BIS' reasons for not supporting director elections – and management proposals generally – are consistently governance-related: board composition and effectiveness, including director independence and overcommitment, and executive compensation.

BlackRock Throgmorton Trust plc – engagement with portfolio companies in 2023

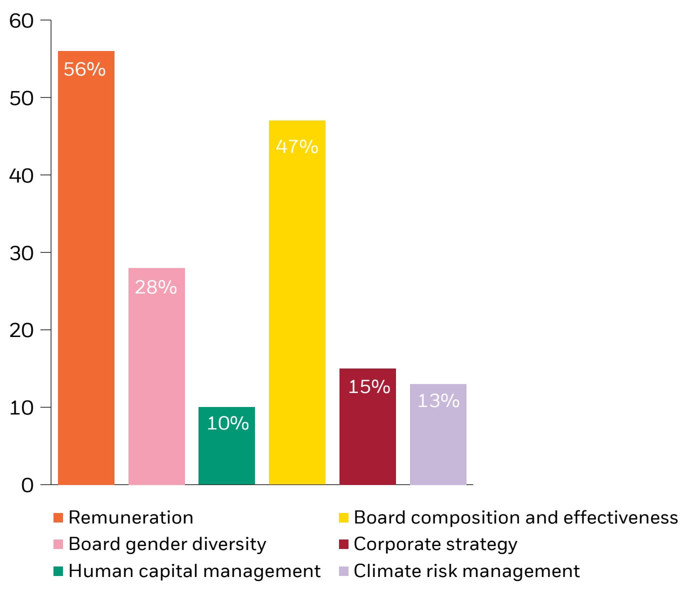
Given the Board's belief in the importance of engagement and communication with portfolio companies, it receives regular updates from the Manager in respect of activity undertaken for the year under review. BlackRock's Emerging Companies team, which is headed by our portfolio manager, Dan Whitestone, undertakes extensive, proprietary, on-the-ground research and seeks to engage with the management of the companies in which it invests. During the year the team met with the management of over 750 companies. In addition, BlackRock also has a separate Investment Stewardship team (BIS) that is committed to promoting sound corporate governance through engagement with investee companies, development of proxy voting policies that support best governance practices and wider engagement on public policy issues. For the year to 30 November 2023, BlackRock's Investment Stewardship team conducted a total of 68 company engagements on a range of governance issues with the management teams of 54 portfolio companies representing 52.9% of the portfolio number of holdings at 30 November 2023. To put this into context, there were 102 companies in the BlackRock Throgmorton Trust plc portfolio at 30 November 2023. Additional information is set out in the table and charts below as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

	As at 30 November 2023	As at 30 November 2022
Number of engagements held	68	58
Number of companies met	54	46
% of equity investments covered	52.9	49.0
Shareholder meetings voted at	103	92
Number of proposals voted on	1518	1411
Number of votes against management resolutions	42	59
% of total votes represented by votes against management	2.8	4.1

Engagement themes*[1]



Top 6 Engagement Topics*[1]



* Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on BlackRock vote guidelines and BlackRock's engagement priorities can be found at: www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities. Percentages reflect the number of meetings at which a particular topic is discussed as a percentage of the total meetings held; as more than one topic is discussed at each meeting the total will not add up to 100%.

[1] Sources: ISS Proxy Exchange and BlackRock Investment Stewardship.

Directors' report

continued

Principal risks

The key risks faced by the Company are set out in the Strategic Report on pages 43 to 46.

Going concern

The Financial Statements of the Company have been prepared on a going concern basis. The forecast projections and actual performance are reviewed on a regular basis throughout the year and the Directors believe that this is the appropriate basis, and the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date these Financial Statements were approved, and is financially sound. The Company is able to meet all of its liabilities from its assets and the 2023 ongoing charges (excluding performance fees) are approximately 0.54% (2022: 0.54%) of the net assets.

Directors

Having carefully considered the Board's composition and the need to ensure that a suitable balance of skills, knowledge, experience, independence and diversity is maintained. All of the Directors held office throughout the year under review.

Details of Directors' interests in the ordinary shares of the Company are set out in the Report of the Remuneration Committee on pages 73 to 76. Further information on the Directors of the Company as at 30 November 2023 and as at the date of this report can be found on pages 35 to 37.

All appointments to the Board and re-elections of Directors are carried out in accordance with the Companies Act and the Company's Articles of Association. The Company's Articles of Association provide that one third of Directors retire by rotation each year. In addition, each Director shall retire and offer themselves for re-election at intervals of no more than three years. The Board may also appoint Directors but any Director so appointed must stand for election by the shareholders at the next Annual General Meeting. Directors are also required to retire if they have served more than nine years on the Board and then may offer themselves for annual re-election.

However, in accordance with best practice and the recommendations of the UK Code of Corporate Governance, the Board has agreed that all Directors will retire each year and if eligible, will offer themselves for re-election at the forthcoming Annual General Meeting (AGM) to be held on 19 March 2024. The Board has considered the position of all Directors standing for re-election at the AGM and believes that it is in the Company's best interests to support the respective resolutions. The Board therefore recommends that shareholders vote in favour of these resolutions.

The Board ensures that each Director has sufficient time to discharge their role and considers both the number and nature of their other commitments, the time commitment required and overall capacity. This may include a detailed review of their time spent on other activities. Any new external appointments must first be approved by the Board and the Director concerns must demonstrate that they have sufficient time to carry out the new role. Before recommending a Director for re-election their time capacity, independence, attendance record and ongoing commitment to the affairs of the Company are considered. A formal evaluation of their performance is also carried out each year.

Director	Asset and Investment Management	Finance and/or Accounting	Investment Trust experience	Marketing and Distribution	Corporate Strategy and Finance
Christopher Samuel	✔	✔	✔	✔	✔
Glen Suarez	✔	✔	✔		✔
Merrryn Somerset Webb	✔		✔	✔	
Nigel Burton	✔	✔	✔	✔	✔
Louise Nash	✔		✔	✔	✔
Angela Lane	✔	✔	✔		✔

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 68, the Board believes that it continues to be effective and that the Directors bring extensive knowledge and experience, suitably aligned to the activities of the Company, and demonstrate a range of valuable business, financial and asset management skills, as set out in the table above. Further details of their experience and expertise can be found in their biographies on pages 35 to 37.

Further details of the independence of the Board and Board tenure is provided in the Corporate Governance Report on page 66.

There were no contracts subsisting during the year under review or up to the date of this report in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors is entitled to compensation for loss of office on the takeover of the Company. None of the Directors has a service contract with the Company.

Conflicts of interest

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest.

All Directors are required to notify the Company Secretary of any situations, or potential situations where they consider that they have or may have, a direct or indirect interest or duty that conflicts or possibly conflicts with the interests of the Company.

All new situations, or changes to previously reported situations are reviewed on an individual basis and reviewed at each meeting. Directors are also reminded at each meeting that there remains a continuing obligation to notify the Company Secretary of any new situations that may arise or any changes that may occur to a previously notified situation. The Board considers that the framework has worked effectively throughout the year.

Directors' remuneration report and policy

The Directors' Remuneration Report can be found within the Report of the Remuneration Committee on pages 73 to 76. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's AGM. The Company is also required to put the Directors' Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the AGM in 2023, therefore, an ordinary resolution to approve the policy will be put to shareholders at the AGM to be held in 2026.

Directors' responsibilities

The Directors' responsibilities in preparing these Financial Statements are noted on pages 84 and 85.

Substantial share interests

As at 30 November 2023 and as at the date of this report, the following investors had declared a notifiable interest of 3% or more in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital[1]
Brewin Dolphin Ltd	12,954,781	12.99
Rathbones Investment Management Ltd	8,376,867	8.53
IntegraFin Holdings plc	3,872,733	4.01

[1] Based upon 95,872,161 shares in issue at the year end.

Directors' report

continued

As at 31 January 2024, the following investors had declared a notifiable interest in the Company's voting rights:

Shareholder	Number of Ordinary shares	% of issued share capital[1]
Brewin Dolphin Ltd	11,754,200	12.32
Rathbones Investment Management Ltd	7,957,309	8.34
IntegraFin Holdings plc	6,492,572	6.80

[1] Based upon 95,428,492 shares in issue as at 30 January 2024.

Articles of Association

Any amendments to the Company's Articles of Association must be made by a special resolution of the members of the Company.

Share capital

Details of the Company's share capital and voting rights are given in note 14 on page 109. Details of the voting rights in the Company's shares as at the date of this report are also given in note 16 to the Notice of Annual General Meeting on page 145.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares or on the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

Share issues and repurchases

The Board believes that the best way to address any discount over the longer term is to generate good performance and to create demand for the Company's shares in the secondary market through effective marketing to drive awareness of the Company's unique structure, robust investment process and long-term investment track record in an attractive sector that is difficult to navigate.

In support of this activity, and where deemed to be in shareholders' long-term interests, the Board may exercise its powers to issue or buy back shares with the objective of ensuring that neither an excessive discount or premium to NAV arises.

The Board considers several factors in determining whether the discount or premium to NAV at which the Company's shares trade is excessive or otherwise. These may include but are not limited to: whether the share rating is commensurate with the peer group of UK Smaller Companies and whether the Company's shares are trading in normal market conditions; the ongoing attractiveness of the investment proposition, in particular the strength of the portfolio management team and process; and the strong long-term performance delivered for shareholders, both in absolute and relative terms.

Although the Manager initiates any buybacks, the policy and parameters are set by the Board and reviewed at regular intervals. If needed, the Company would raise any cash required to finance the purchase of such shares either by selling securities in the Company's portfolio or by short-term borrowing.

The Directors believe that it is in shareholders' interests to ensure that the Company has, at all times, the ability to buy back shares and to issue new shares or sell shares from treasury in order to manage any excessive share price premium to NAV that may arise.

Although the Manager initiates any buybacks, the policy and parameters would be set by the Board and reviewed at regular intervals. If needed, the Company would raise any cash required to finance the purchase of such shares either by selling securities in the Company's portfolio or by short-term borrowing.

The Directors believe that it is in shareholders' interests to ensure that the Company has, at all times, the ability to buy back shares and to issue new shares or sell shares from treasury in order to manage any excessive share price premium to NAV that may arise.

The current authority to repurchase ordinary shares was granted to Directors at the AGM held in March 2023 and expires at the conclusion of the AGM in 2024.

The Directors are therefore proposing that their authority to buy-back shares to be held in treasury, or for cancellation, and to issue new shares or sell shares from treasury be renewed at the forthcoming AGM.

Treasury shares

The Company is authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. As at 30 November 2023, 7,337,703 shares were held in treasury (2022: 2,051,000 shares).

Treasury shares will only be reissued at prices at or above the prevailing NAV per share thereby giving the Company the ability to reissue shares quickly and cost effectively, improving liquidity and providing the Company with additional flexibility in the management of its capital base. It also ensures a positive overall effect for shareholders when shares are bought back at a discount and then sold at a price at or above the NAV per share.

Streamlined Energy & Carbon Reporting scheme (SECR) statement: greenhouse gas (GHG) emissions and energy consumption disclosure

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

Business of the AGM

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of this year's AGM consists of 15 resolutions. Resolutions 1 to 12 are proposed as ordinary resolutions and resolutions 13 to 15 are being proposed as special resolutions.

Ordinary Resolution 1 – Annual Report and Financial Statements

This resolution seeks shareholder approval to receive the report of the Directors and Financial Statements for the year ended 30 November 2023 and the Auditor's report thereon.

Ordinary Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report for the year ending 30 November 2023, excluding any content relating to the proposed future remuneration policy as set out on pages 77 and 78.

Ordinary Resolution 3 – Approval of a final dividend

This resolution seeks shareholder approval of a final dividend of 11.45 pence for the year ended 30 November 2023.

Ordinary Resolutions 4 to 9 – Election or re-election of the Directors

Resolutions 4 to 9 relate to the re-election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election continues to be effective and that each Director continues to demonstrate commitment to their role and has confirmed with each Director, and specifically with the Chairman of the Board, that they have sufficient time to effectively discharge their duties to the Company. Their biographies on pages 35 to 37 provide details of their collective expertise and experience. The Board believes their re-appointment is in the best interests of shareholders and will promote the long-term success of the Company.

Ordinary Resolutions 10 and 11 – Appointment of the external Auditor and the Auditor's Remuneration

These resolutions relate to the re-appointment and remuneration of the Company's auditor. The Company, through its Audit Committee, has considered the independence and objectivity of the external auditor and is satisfied that the Auditor is independent. Further information in relation to the assessment of the existing Auditor's independence can be found in the Report of the Audit Committee on pages 81 to 83.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM.

Directors' report
continued

Ordinary Resolution 12 – Authority to allot ordinary shares
The Directors may only allot shares for cash if authorised to do so by shareholders in a general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £476,207.46 per annum, which is equivalent to 9,524,149 ordinary shares of 5p each and represents 10% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. This resolution will expire at the conclusion of the AGM of the Company to be held in 2025 unless renewed prior to that date at an earlier general meeting. All shares issued under this authority would be at a premium to the prevailing NAV.

Special Resolution 13 – Authority to disapply pre-emption rights
By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 13 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £476,207.46 which is equivalent to 9,524,149 ordinary shares of 5p each and represents 10% of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of the AGM. This resolution, which is subject to the passing of ordinary resolution 12, will expire at the conclusion of the AGM of the Company to be held in 2025 unless renewed prior to that date at an earlier general meeting. All shares issued under this authority would be at a premium to the prevailing NAV.

Special Resolution 14 – Authority to buy back ordinary shares
The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own ordinary shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 14,276,699 ordinary shares (being 14.99% of the issued ordinary share capital excluding treasury shares as at the date of this report). This authority, unless renewed at an earlier general meeting, will expire at the conclusion of the AGM of the Company to be held in 2025.

Any ordinary shares purchased pursuant to this resolution shall be cancelled immediately upon completion of the purchase or held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act.

Special Resolution 15 – Notice period for General Meetings
Special Resolution 15 empowers the Directors to hold general meetings (other than annual general meetings) on 14 days' notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met.

The first condition is that the Company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is not intended that this power will be used as a matter of course, rather that this flexibility will be utilised where the Board believes that the nature of the business to be conducted requires that a general meeting be convened at 14 days' notice.

Recommendation
The Board considers that each of the resolutions to be proposed at the Annual General Meeting is likely to promote the success of the Company for the benefit of its members as a whole and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of these resolutions as they intend to do in respect of their own beneficial holdings.

As mentioned in the Chairman's statement, if you are unable to attend the meeting in person you can cast your vote by proxy, either by appointing the chairman as your proxy or alternatively a third party. Details on how to do so are included on the Proxy Card provided. If you hold your shares through a Nominee or Platform you will need to contact them directly to instruct them on how you wish to vote or to request that they appoint you as a proxy in respect of your shareholding should you wish to attend the meeting. It may also be possible to vote electronically via the platform. If you are able to do so we would encourage shareholders to exercise your vote.

Corporate Governance

Full details are given in the Corporate governance statement on pages 66 to 72. The Corporate Governance Statement forms part of this Directors' Report.

Audit information

As required by Section 418 of the Companies Act 2006 the Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

In line with EU regulations on mandatory audit rotation, an audit tender process was carried out by the Company during 2018. Following this process, and on the recommendation of the Company's Audit Committee, the Board resolved that PricewaterhouseCoopers LLP be appointed as the Company's independent auditor for the financial year commencing on 1 December 2018. PricewaterhouseCoopers LLP have audited the Company's Financial Statements for the year ending 30 November 2023.

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting, together with a resolution to authorise the Audit Committee to determine its remuneration.

The Directors' Report was approved by the Board at its meeting on 2 February 2024.

By order of the Board

KEVIN MAYGER
for and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Corporate governance statement

Introduction

Corporate governance is one of the processes by which the Board seeks to safeguard shareholders' interests and protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors to manage the Company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run the Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing the business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company, and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code). However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code), which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at www.theaic.co.uk.

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

Compliance

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, as an investment trust, most of the Company's day-to-day responsibilities are delegated to third party service providers, the Company has no employees and the Directors are all non-executives, therefore not all the provisions of the UK Code are directly applicable to the Company.

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout the accounting period, except for those relating to:

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

For the reasons set out in the AIC Guide, and explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company with no executive employees and, in relation to internal audit function, in view of BlackRock having an internal audit function.

Information on how the Company has applied the principles of the AIC Code and the UK Code is set out below.

The Board

Board composition

As at 30 November 2023, and at the date of this report, the Board consists of six Non-executive Directors, all of whom are independent of the Company's Manager.

The provision of the UK Corporate Governance Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors.

The Directors' biographies, on pages 35 to 37, demonstrate a breadth of investment knowledge, business and financial experience relevant to the Company's business which enables the Board to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 35.

Board independence and tenure

The Board's independence, including that of the Chairman, has been considered and all of the Directors are deemed to be independent in character and have no relationships or circumstances which are likely to affect their judgement.

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of tenure, in isolation, reduces a Director's ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board and, as such, no formal limit on the overall length of service of any of the Company's Directors has been imposed, although the Board believes in the merits of an ongoing and progressive refreshment of its composition.

Succession planning

The Directors support a planned and progressive renewing of the Board. The Board's tenure and succession policy seeks to ensure that the Board remains well balanced at all times through the application of a formal succession plan, seeking to identify and appoint new Directors, as required, who possess a range of skills, knowledge and experience which is aligned to the activities of the Company. Directors must also be able to demonstrate sufficient commitment to the Company, including the ability to commit sufficient time to effectively discharge their duties.

Overboarding

The Board is cognisant of the concept of "overboarding" and has considered the time commitment required by the Directors' other roles, taking into account their nature and complexity. The Board does not believe that any of the Directors are currently overboarded. The Board reviews this information annually to ensure all Directors have sufficient capacity to carry out their role effectively. Further information on how the Board satisfies itself that Directors have sufficient time to effectively discharge their role is set out on pages 60 and 61.

Board Diversity

While the Board does not have a formal policy on diversity, it recognises the benefits at Board level and believes that Directors should have a mix of different skills, experience, backgrounds, ethnicity, gender and other characteristics. It has therefore agreed to comply with best practice and applicable regulation in respect of diversity, including gender and ethnicity.

A broad range of factors are taken into account when setting an appointment brief and during the search and selection process and have been applied during the recruitment and that all Board appointments must be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

As at 30 November 2023 the Board had a 50:50 gender ratio, in accordance with relevant regulation and best practice, and will continue to consider other diversity characteristics, such as age, ethnicity, gender, disability, educational or professional background when appraising Board composition.

The Board has complied with the recommendations of the Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules which set new diversity targets and associated disclosure requirements for UK companies listed on the premium and standard segment of the London Stock Exchange. Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This new requirement applies to accounting periods commencing on or after 1 April 2022. Further information on the composition and diversity of the Board can be found in the disclosure table which follows below:

Gender	Number of Board members	Percentage of Board	Number of senior roles held[1]
Men	3	50%	1
Women	3	50%	2
Ethnicity[2]			
White British (or any other white background)	5	83%	3
Asian or Asian British	1	17%	0

[1] A senior position is defined as the role of Chairman, Audit Committee Chairman or Senior Independent Director.
[2] Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.

Corporate governance statement
continued

Directors' induction and training
When a new Director is appointed to the Board, he or she is provided with all the relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will participate in a comprehensive induction day which includes presentations from representatives of the Manager, including the Investment Manager, Legal & Compliance, Risk & Quantitative Analysis, Internal Audit and the Company Secretary, whereby he or she will become familiar with the various processes which are considered necessary for the performance of their duties and responsibilities. The induction session is structured to ensure new Directors can ask questions and request clarification where required.

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the Auditor and the Company Secretary regarding any proposed developments or changes in law or regulations that could affect themselves or the Company.

Directors' liability insurance
The Company has maintained appropriate Directors' Liability Insurance cover throughout the year, which continues to be in force as at the date of this report.

The Board's responsibilities
The Board is responsible to shareholders for the effective stewardship of the Company. A formal schedule of matters reserved for the decision of the Board has been adopted. Investment policy and strategy are determined by the Board. It is also responsible for the gearing policy, dividend policy, public documents, such as the Annual Report and Financial Statements, the buy-back policy and corporate governance matters. In order to enable them to discharge their responsibilities effectively the Board has full and timely access to relevant information.

The Board currently meets at least six times a year to review investments, performance, financial reports and other reports of a strategic nature. Board or Board Committee meetings are also held on an ad hoc basis to consider issues as they arise. Key representatives of the Manager and/or Investment Manager attend each meeting and between these meetings there is regular contact with the Manager and Investment Manager.

The Directors have direct access to company secretarial advice and the services of the Manager, through a nominated representative, who is responsible to the Board for ensuring that Board and Committee procedures are followed and that the Company complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the Directors may seek independent professional advice at the expense of the Company.

Performance evaluation
In order to review the effectiveness of the Board, its Committees and the individual Directors, the Board carries out an annual appraisal process. As recommended by the UK Code, and as a constituent of the FTSE 350, the annual evaluation for the year ended 30 November 2023 has been carried out with the assistance of an independent third party, Stogdale St James. The performance evaluation took the form of interviews with all board members, representatives or the Manager and the Broker, supplemented by electronic performance evaluation questionnaires. The evaluation looked at several key areas, including the performance of the Board and its Committees, the effectiveness of the Board's oversight of the Investment Manager, investment strategy and performance, risk management, external relations and succession planning. The responses were then collated, analysed and discussions held between the external evaluator and the Chairman and Senior Independent Director. The performance of the Chairman was also evaluated by our external appraiser and reported to our Senior Independent Director, who in turn shared the findings with the Board.

The appraisal process is considered to be constructive in terms of identifying areas in which the functioning and performance of the Board and its Committees and the contribution of individual Directors could be improved, as well as building on and developing individual and collective strengths. The overall conclusion from the evaluation process was that the Board and its Committees were functioning effectively.

Delegation of responsibilities
The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been contractually delegated to BlackRock Fund Managers Limited (BFM or the Manager) as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The contractual arrangements with the Manager are summarised on pages 56 and 57. The Manager, operating under guidelines determined by the Board, has responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Manager has delegated the fund accounting and administration services to The Bank of New York Mellon (International) Limited.

The review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at every Board Meeting. In addition, a formal review is undertaken annually, details of which are set out on page 68 of the Directors' Report.

The assets of the Company have been entrusted to the Depositary for safekeeping. The Company's appointed Depositary is The Bank of New York Mellon (International) Limited. The address at which the business is conducted is given on page 131.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's approach to voting is set out on page 58.

Committees of the Board

The Board has appointed a number of committees as set out below and on page 34. Copies of the terms of reference of each committee are available on request from the Company's registered office, on the BlackRock website at www.blackrock.com/uk/thrg and at each Annual General Meeting.

Audit Committee

The Audit Committee, is chaired by Angela Lane and consists of all the Directors of the Company. Further details are provided in the Report of the Audit Committee on pages 79 to 83.

Nomination Committee

The Nomination Committee, which comprises all the Directors, is chaired by Christopher Samuel.

The role of the Committee is to review Board structure, size and composition, the balance of knowledge, experience and skills range and to consider succession planning and tenure policy. Appointments of new Directors will be made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. Board diversity, including gender, ethnicity and other diversity characteristics, will be taken into account in establishing the criteria. The services of an external search consultant may be used to identify potential candidates. The Committee meets at least once a year and more often if required.

Management Engagement Committee

The Management Engagement Committee is chaired by Christopher Samuel and comprises all the Directors of the Company. The Committee annually reviews the appropriateness of the Manager's continued appointment, together with the terms and conditions thereof.

In addition to reviewing performance, the Manager is also assessed in relation to the quality of the fund management and administration teams, commitment to their investment trust business, strength of relationships with shareholders and the appropriateness of the management contract, including fees.

Remuneration Committee

The Remuneration Committee was established on 1 February 2021 and is currently chaired by Nigel Burton. The Remuneration Committee has delegated responsibility for determining and recommending to the Board a policy for Directors' remuneration. The Committee reports and makes recommendations to the Board on all matters of remuneration. Further details are provided in the Report of the Remuneration Committee on pages 73 to 76.

Corporate governance statement
continued

Internal controls
The Board is responsible for ensuring the establishment and maintenance of the Company's system of internal controls and for monitoring their adequacy and effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment companies.

The Board reviews the effectiveness of the internal control systems on an ongoing basis to identify, evaluate and manage the Company's significant risks. As part of that process, there are procedures designed to capture and evaluate any failings or weaknesses and should a matter be categorised by the Board as significant, procedures exist to ensure that necessary action is taken to remedy the failing. The Board is not aware of any significant failings or weaknesses arising during the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the service providers as delegated by the Company. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by the Manager's internal audit department. This accords with the Financial Reporting Council's: Guidance on Risk Management and Internal Control.

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third party service providers to mitigate these risks.

The Audit Committee formally reviews this register on a semi-annual basis and BFM, as the Company's AIFM, reports on any significant issues that have been identified in the period. The Depositary also reviews the control processes in place at the Custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent this is required. The Committee also receives summaries of the annual Service Organisation Control (SOC 1) reports respectively from BlackRock and The Bank of New York Mellon on the internal controls of their respective operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than to eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Manager and the Depositary.

The Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance at each Board meeting. The Board and the Manager have agreed clearly defined investment criteria and have specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

Internal audit
The Company does not have its own internal audit function, as all the administration is delegated to the Manager whose internal audit department reports to the Company's Audit Committee on a semi-annual basis on the results of testing performed in relation to the Manager's internal control processes. The Board monitors the controls in place through the Manager's internal audit department and considers that there is currently no need for the Company to have its own internal audit function although this matter is kept under review.

Financial reporting
The production of the Annual Report and Financial Statements is outsourced to the Fund Administrator and is reviewed and approved by the Directors. The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on pages 84 and 85, the Independent Auditor's Report on pages 88 to 93 and the Statement of Going Concern on page 60.

Bribery prevention policy
The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Company has a zero-tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery very seriously, and BlackRock has anti-bribery policies and procedures in place which are high level, proportionate and risk based, and which are periodically reviewed by the Board. The Company's other service providers have been contacted in respect of their anti-bribery policies and where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

Criminal Finances Act 2017

The Company has a commitment to zero-tolerance towards the criminal facilitation of tax evasion.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018. The Board has sought and received assurances from its third party service providers that they have taken appropriate steps to ensure compliance with GDPR.

Communication with shareholders

All shareholders have the opportunity to attend and vote at the AGM. The Notice of the AGM sets out the business of the Meeting and any special business is explained in the Directors' Report. The Notice of the AGM and related papers are sent to shareholders at least 20 working days before the meeting. Separate resolutions are proposed for substantive issues.

The Chairman also writes to shareholders each year to invite them to the AGM. In addition, in recognition of the importance of seeking to reach all shareholders, particularly those who purchase their shares via an intermediary, the Company has, as it did at this time last year, utilised the S.793 process with the objective of communicating with the Company's broad shareholder base. The Board believes that it is important that as many shareholders as possible have the opportunity to attend the AGM and, importantly, that they are encouraged to exercise their votes.

Regular updates on performance are available to shareholders on the website. The Investment Manager will review the Company's activities at the AGM, where the Directors, including the Chairman of the Board and the Chairman of the Audit Committee and representatives of the Manager will be available to answer shareholders' questions. Proxy voting figures are announced to the shareholders at the AGM and will be made available on the Manager's website shortly after the meeting.

In accordance with provision 4 of the 2018 UK Corporate Governance Code, when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result.

The Company's willingness to enter into discussions with shareholders is demonstrated by a programme of presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders, and it also receives reports from its corporate broker. The Chairman and Senior Independent Director also meet directly with shareholders providing a forum for canvassing their views and enabling the Board to be aware of any issues of concern.

There is also a clear channel of communication between the Board and the Company's shareholders via the Company Secretary and the Board encourages shareholders to utilise this. The Company Secretary has no express authority to respond to enquiries addressed to the Board and all communication, other than junk mail, is redirected to the Chairman.

There is a section within this report entitled "Additional Information – Shareholder Information", on pages 126 to 129, which provides an overview of useful information available to shareholders.

The Company's financial statements, regular fact sheets and other information, are also published on the BlackRock website at www.blackrock.com/uk/thrg. The work undertaken by the Auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Packaged Retail and Insurance-Based Investment Products (PRIIPs) Regulation (the Regulation)

The Regulation requires that anyone manufacturing, advising on, or selling a PRIIP to retail investors in the UK must comply with the Regulation. Shares issued by Investment Trusts fall into scope of the Regulation.

Corporate governance statement
continued

Investors should be aware that the Regulation requires the AIFM, as the PRIIP manufacturer, to prepare a key information document (KID) in respect of the Company. This KID must be made available, free of charge, to UK retail investors prior to them making any investment decision and as published on BlackRock's website. Neither the Board nor the Company is responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/thrg.

Disclosure Guidance and Transparency Rules

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 56 to 65 because it is information which refers to events that have taken place during the course of the year.

By order of the Board

CHRISTOPHER SAMUEL
Chairman
2 February 2024

Report of the Remuneration Committee

Nigel Burton
Chairman of the
Remuneration Committee

On behalf of the Board, the Remuneration Committee presents the Directors' Remuneration Report for the year ended 30 November 2023 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 88 to 93.

Remuneration Committee

The Committee has delegated responsibility for determining the policy for directors' remuneration and setting remuneration for the Company's chair, Audit Committee chair and independent Non-executive Director in accordance with the principles and provisions of the UK Code. The Committee reports and makes recommendations to the Board on all matters of remuneration.

Statement by the Chairman of the Remuneration Committee

A key driver of the Company's Remuneration Policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience. The Company's Directors are all non-executive and are independent of the Manager. The Company's Directors' Remuneration Policy was last reviewed in December 2023. Following this review, it was agreed that with effect from 1 December 2023 all Directors' fees would be increased to the levels set out in the policy table on page 78.

Further detail on the Company's remuneration policy and the basis for determining the level of any change in Directors' remuneration are set out in the Remuneration policy on pages 77 and 78. Directors' fees were last increased on 1 December 2023. No discretionary fees have been paid to Directors during the year or previous year or since inception and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration. The Company's Directors are all non-executive and are independent of the Manager. No advice or services were provided by any external agencies or third parties.

Implementation of the Remuneration Policy in the year 2023

The Directors intend that the Remuneration Policy, which forms part of this report, will be implemented as set out on pages 77 and 78. The Directors do not receive any performance related remuneration or incentives.

Discretionary payments are permitted under the policy; however, such discretionary payments would only be considered in exceptional circumstances.

Remuneration/service contracts

The maximum remuneration of the Directors is determined within the limits of the Company's Articles and the limit currently amounts in aggregate to £250,000.

No element of the Directors' remuneration is performance related. The Company has not awarded any share options or long-term performance incentives to any of the Directors. None of the Directors has a service contract with the Company or receives any non-cash benefits or pension entitlements. The terms of their appointment are detailed in an appointment letter issued to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Report of the Remuneration Committee
continued

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the years ended 30 November 2023 and 2022. The information in the table below has been audited.

Directors	Year ended 30 November 2023			Year ended 30 November 2022		
	Base Salary	Taxable Benefits[1]	Total	Base Salary	Taxable Benefits[1]	Total
	£	£	£	£	£	£
Christopher Samuel (Chairman)	46,700	540	47,240	44,000	775	44,775
Nigel Burton	31,700	–	31,700	30,000	300	30,300
Loudon Greenlees[2]	11,455	196	11,651	35,000	275	35,275
Angela Lane	35,359	402	35,761	30,000	654	30,654
Louise Nash	31,700	2,140	33,840	30,000	1,904	31,904
Glen Suarez[3]	28,226	2,154	30,380	–	–	–
Merryn Somerset Webb	31,700	1,893	33,593	30,000	1,703	31,703
Total	**216,840**	**7,325**	**224,165**	**199,000**	**5,611**	**204,611**

[1] Taxable benefits relate to travel and subsistence costs.

[2] Loudon Greenlees retired on 23 March 2023.

[3] Glen Suarez was appointed on 9 January 2023.

No discretionary payments were made in the year to 30 November 2023 (2022: £nil).

The amounts paid by the Company to the Directors were for services as Non-executive Directors. As at 30 November 2023, fees of £18,000 (2022: £17,000) were outstanding to Directors in respect of their annual fees.

Relative importance of spend on pay

As the Company has no employees, the table below also comprises the total remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared to the Company's net profit on ordinary activities after taxation, total operating expenditure and dividend distributions.

	2023 £'000	2022 £'000	Change £'000
Directors' total remuneration	224	205	+19
Dividends paid and payable	14,192	11,249	+2,943
Net (loss)/profit on ordinary activities after taxation	(15,749)	(295,888)	+280,139
Buyback of ordinary shares after costs	29,807	11,544	+18,263

No payments were made in the period to any past Directors (2022: £nil).

Annual percentage change in Directors' remuneration

The following table sets out the annual percentage changes in Directors' fees over the past five years.

Directors	30 November 2019	30 November 2020	30 November 2021	30 November 2022	30 November 2023
Christopher Samuel	6.9%	2.6%	3.8%	7.3%	6.1%
Loudon Greenlees[1]	7.1%	3.3%	4.8%	7.7%	5.7%
Jean Matterson[2]	8.3%	3.8%	3.7%	n/a	n/a
Louise Nash[3]	n/a	3.8%	3.7%	7.1%	5.7%
Angela Lane[4]	n/a	n/a	3.7%	7.1%	5.7%
Nigel Burton[5]	n/a	n/a	n/a	7.1%	5.7%
Merryn Somerset Webb[6]	n/a	n/a	n/a	7.1%	5.7%
Glen Suarez[7]	n/a	n/a	n/a	n/a	n/a

1 As Loudon Greenlees retired as a Director on 23 March 2023, the percentage change in his annual fixed fee has been annualised.
2 As Jean Matterson retired as a Director on 24 March 2021, the percentage change in her annual fixed fee has been annualised.
3 As Louise Nash was appointed as a Director on 21 March 2019, the percentage change in her annual fixed fee has been annualised.
4 As Angela Lane was appointed as a Director on 10 June 2020, the percentage change in her annual fixed fee has been annualised.
5 As Nigel Burton was appointed as Director on 21 December 2020, the percentage change in his annual fixed fee has been annualised.
6 As Merryn Somerset Webb was appointed as a Director on 24 March 2021, the percentage change in her annual fixed fee has been annualised.
7 As Glen Suarez was appointed as a Director on 9 January 2023, there is no percentage change comparison.

As previously noted, the Company does not have any employees and hence no comparisons are given in respect of the comparison between Directors' and employees' pay increases.

Directors' Shareholdings

The interests of the Directors in the ordinary shares of the Company are set out in the table below. The Company does not have a share option scheme, therefore none of the Directors has an interest in any share options in the Company. There is no requirement for Directors to hold shares in the Company.

	2 February 2024 Ordinary shares	30 November 2023 Ordinary shares	30 November 2022 Ordinary shares
Christopher Samuel	65,606	65,606	64,294
Loudon Greenlees	n/a	n/a	15,000
Louise Nash	3,900	3,900	3,900
Angela Lane	11,673	11,673	11,614
Nigel Burton	16,570	16,570	16,238
Merryn Somerset Webb	3,727	3,727	3,727
Glen Suarez	4,800	4,800	n/a

The information in the table above has been audited.

Report of the Remuneration Committee
continued

All of the holdings of the Directors are beneficial. No changes to these holdings have been notified up to the date of this report.

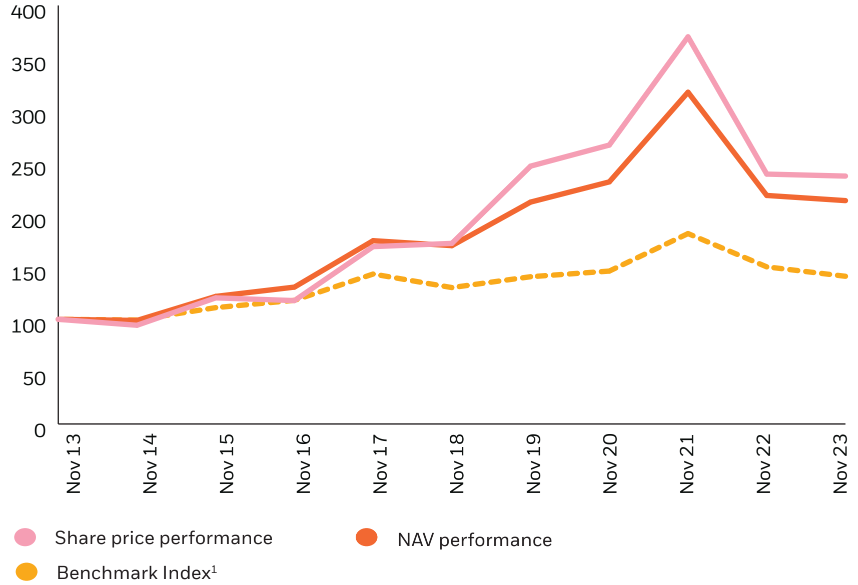
Retirement of directors

Further details are given in the Directors' Report on pages 60 and 61.

Performance

The graph below compares the Company's NAV and share price total returns with the total return on an equivalent investment in the Benchmark Index[1]. This index is deemed to be the most appropriate as the Company has a UK smaller and mid-capitalisation companies' objective.

Performance from 30 November 2013 to 30 November 2023



[1] With effect from 22 March 2018, the Numis Smaller Companies plus AIM (excluding Investment Companies) Index replaced the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index as the Company's Benchmark Index. From 1 December 2013 to 21 March 2018, the Company's Benchmark Index was the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index. Prior to 1 December 2013 the Company's Benchmark Index was the Numis Smaller Companies plus AIM (excluding Investment Companies) Index. The performance of the Benchmark Indices during these periods has been blended to reflect these changes.

Sources: BlackRock and Datastream.

Performance figures in Sterling terms with dividends reinvested, rebased to 100 at 30 November 2013.

For and on behalf of the Board

NIGEL BURTON
Chairman of the Remuneration Committee
2 February 2024

Directors’ remuneration policy

In setting the appropriate level of Directors’ fees, a number of factors are considered by the Company’s Remuneration Committee, including:

- the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented);
- the relationship with their suppliers (primarily the Company’s third party service providers);
- the size and complexity of the Company;
- the time commitment required;
- the level of skills and appropriate experience required;
- the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity;
- the average rate of inflation during the period since the last fee increase;
- the level of remuneration in comparison with other investment trusts of a similar size and/or mandate; and
- any data published by the Association of Investment Companies to ensure that fees are in line with industry practice.

This comparison, together with consideration of any alteration in Non-executive Director responsibilities, is used to review whether any change in remuneration is necessary. The review is performed on an annual basis. The Remuneration Committee is cognisant of the need to avoid any potential conflicts of interest and has therefore agreed a mechanism by which no Director is present when his or her own pay is being considered.

The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

No element of the Directors’ remuneration is performance related or subject to recovery or withholding (except for tax). Directors cannot be awarded any share options or long-term performance incentives. None of the Directors has a service contract with the Company or receives any non-cash benefits (except as described in the policy table), pension entitlements or compensation for loss of office.

The Remuneration Policy would be applied when agreeing the remuneration package of any new Director. The terms of Directors’ appointments are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company. Directors’ appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date. No payments for loss of office are made.

Directors are also subject to re-election at least every three years and, if not elected, their appointment ceases immediately. However, in accordance with the UK Corporate Governance Code the Board have agreed that all Directors will, being eligible, stand for re-election annually. The continuation of an appointment is contingent on a satisfactory performance evaluation and re-election by shareholders at the AGM.

Consideration of shareholders’ views

In accordance with applicable law and regulation, an ordinary resolution to approve the remuneration report is put to shareholders at each AGM, and shareholders have the opportunity to express their views and raise any queries in respect of remuneration policy at this meeting. The Company last obtained shareholder approval for its remuneration policy at the AGM in 2023. In accordance with the Companies Act 2006, the remuneration policy will next be subject to a triennial binding shareholder vote at the AGM in 2026.

At the Company’s AGM held on 23 March 2023, 99.80% (including votes cast at the Chairman’s discretion) were in favour of the resolution to approve the remuneration policy and 0.20% of votes cast were against. The Company’s remuneration policy is laid before shareholders every three years.

At the Company’s AGM held on 23 March 2023, 99.84% of votes cast were in favour of the resolution to approve the Directors’ remuneration report in respect of the year ended 30 November 2022 and 0.16% against. The remuneration report is laid before shareholders annually.

Any discretionary fees paid to the Directors will be clearly disclosed in the Directors’ Remuneration Report accompanied by an explanation of the work undertaken.

Policy table

Purpose and link to strategy		Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with knowledge and experience which is suitably aligned to the activities of the Company. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the level of complexity of responsibilities borne by the Directors.
Description		Levels of fixed annual fee with effect from 1 December 2023: Chairman – £48,800 Audit Committee Chairman – £38,700 Senior Independent Director – £34,100 Directors – £33,100 All reasonable expenses to be reimbursed.
Maximum levels		Remuneration consists of a fixed fee each year, set in accordance with the stated policies and any increase granted must be in line with the stated policies. The Company's Articles of Association provide that until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) such fees for their services in the office of Director as the Directors may determine (not exceeding in the aggregate an annual sum of £250,000 (subject to increase as provided above) or such larger amount as the Company may by ordinary resolution decide) divided between the Directors as they agree. In accordance with the provisions of the Company's Articles of Association the Directors are also entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending meetings of the Board or of Committees of the Board or Annual General Meetings or General Meetings. In addition, the Directors propose a limit of £10,000 in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members (where required) and inflation.
Policy on share ownership		Directors are encouraged to own shares in the Company. All Directors are currently shareholders.
Operation	**Fixed fee element**	The Board reviews the quantum of Directors' fees each year to ensure that this is in line with the level of Directors' fees for other investment trusts of similar size and complexity. When considering any changes in fees, the Board will take into account factors such as the average rate of inflation over the period since the previous review, and the level and any change in the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). Directors are not eligible to be compensated for loss of office, nor are they eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors do not have service contracts but are appointed under letters of appointment.
	Discretionary Payments	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such extra work undertaken is subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director. Any discretionary fees paid will be disclosed in the Directors' Remuneration Report within the Annual Report.
	Taxable benefits	Certain expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits comprise, but are not limited to, travel expenses and subsistence incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including tax and national insurance costs incurred by the Directors on such expenses.

Report of the Audit Committee

Angela Lane
Chairman of the
Audit Committee

As Chairman of the Audit Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 30 November 2023.

Composition

The Committee consists of all the Directors of the Company, including the Board Chairman since 2019. Following the publication of the latest AIC Code of Corporate Governance, which permits the Board Chairman to be a member of the Committee, the Board determined that it was appropriate for him to become a member of the Committee, particularly given that he is a Chartered Accountant and has recent and relevant financial experience.

The Board considers that at least four members of the Committee have recent and relevant financial experience and specific competence in accounting and/or auditing and the Committee, as a whole, has competence relevant to the sector in which the Company operates to discharge its function effectively. Further information on the experience of the members of the Committee can also be found in their biographies on pages 35 to 37.

Role and responsibilities

The Company has established a separately chaired Committee whose duties include considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and providing an opinion as to whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, position, business model and strategy.

The Committee reviews the external Auditor's report thereon and has primary responsibility for the relationship with the external Auditor, including the development of a policy on the provision of non-audit services, reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and monitoring the effectiveness of the internal control systems and standards.

The Company operates within written terms of reference detailing its scope and duties and these are available on the Company's website at www.blackrock.com/uk/thrg.

The Committee meets at least three times a year. Two of these meetings are held prior to the Board meetings to approve the half yearly and annual reports. The Committee will hold additional meetings where deemed to be necessary. The Committee also receives regular reports from the Manager's internal audit and compliance departments.

Responsibilities and review of the external audit

During the year the principal activities of the Audit Committee included:

- considering and recommending to the Board for approval the contents of the half yearly and annual financial statements and reviewing the external auditors' report thereon;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external Auditor;
- reviewing the audit and any non-audit fees payable to the external Auditor and the terms of its engagement;
- reviewing and approving the external Auditor's plan for the financial year, with a focus on the identification of areas of audit risk, and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing the effectiveness of the external audit process and the quality of the audit engagement leader and the audit team, and making a recommendation to the Board with respect to the reappointment of the Auditor;
- reviewing the role of the Manager and third party service providers in an effective audit process;

Report of the Audit Committee
continued

- considering the quality of the formal audit report to shareholders;
- reviewing the appropriateness of the Company's accounting policies;
- monitoring the effectiveness of the Company's risk management and internal control systems and standards and carrying out a review, at least annually, of their effectiveness; and
- evaluating the need for an internal audit function, as set out in the Corporate Governance Statement on page 70.

The fees paid to the external Auditor are set out in note 5 on page 104. An explanation on how auditor objectivity and independence is safeguarded is reported under assessment of the effectiveness of the external audit process on pages 82 and 83.

Whistleblowing policy
The Committee has also reviewed and accepted the 'whistleblowing' policy that has been put in place by the Manager under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

Significant issues considered regarding the Annual Report and Financial Statements
During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the Financial Statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified by the Committee and also explains how these were addressed.

Significant issue
The accuracy of the valuation of the investment portfolio.

How the issue was addressed
Listed investments, long and short derivative positions and index futures are valued using stock exchange prices from third party vendors.

The Board reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct.

Significant issue
The risk of misappropriation of assets and ownership of investments.

How the issue was addressed
The Depositary is responsible for financial restitution for loss of financial investments held in custody.

The Depositary reports to the Committee on a twice-yearly basis and is also available to attend the Company's Annual General Meeting.

The Committee reviews reports from its service providers on key controls over assets of the Company. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.

Significant issue

The accuracy of the calculation of management and performance fees.

How the issue was addressed

The Manager reports to the Committee on the calculation of any performance fee accruals that have been included in the Company's NAV on a regular basis. The management fee and any performance fee are calculated in accordance with the contractual terms in the investment management agreement by the administrator, BNYM, and are reviewed in detail by the Manager and are also subject to an analytical review by the Committee.

Significant issue

The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.

How the issue was addressed

The Committee reviews income forecasts, including special dividends, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year figures. The audit includes checks on the completeness and accuracy of income, and also checks that this has been recognised in accordance with stated accounting policies.

The provision of portfolio valuation, fund accounting and administration services is delegated to the Manager, which sub-delegates the provision of fund accounting to The Bank of New York Mellon (International) Limited. The provision of custody and depositary services is directly contracted by the Company to The Bank of New York Mellon (International) Limited. The Committee has therefore reviewed summaries of the Service Organisation Control (SOC 1) reports prepared by the Manager, Depositary and the Fund Accountants to ensure that the relevant control procedures are in place to cover these areas of risk as identified in the table above and are adequate and appropriate and have been designated as operating effectively by the reporting auditors.

The Committee receives and reviews regular reports on the material risks faced by the Company and the key controls employed to manage these risks. Consideration is given regularly to the nature and extent of risks faced by the Company and these risks are monitored and regularly re-assessed. Where changes in risk have been identified during the year, the Committee will assess whether any further action is required to mitigate these risks.

The Committee has reviewed the effectiveness of the Company's risk management and internal controls systems, which accord with the FRC 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', and has procedures in place to review their effectiveness on a regular basis. No material weaknesses have been identified in the year under review and up to the date of this report.

The Committee confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this report.

Auditor and audit tenure

The Company's current auditor PricewaterhouseCoopers LLP was appointed on 21 March 2019 following the result of a tender process held in late 2018. The current audit engagement leader is Mr Allan McGrath who has been the Company's audit engagement leader since September 2021. Prior to this date, the audit engagement leader was Christopher Meyrick.

The Committee, in conjunction with the Board, is committed to reviewing this appointment on a regular basis to ensure the Company is receiving an optimal level of service. The appointment of the Auditor is reviewed each year and the audit engagement leader rotates at least every five years. There are no contractual obligations that restrict the Company's choice of auditor.

The Committee is mindful of the EU Audit Reform (as retained in UK law), including regulations on mandatory auditor regulation which require a review of the appointment of the auditor every ten years. The legislation also prohibits certain non-audit consulting services and caps the amount of additional fees auditors can charge their clients. The Company carried out a formal tender process in 2018 and following due consideration, PricewaterhouseCoopers LLP was selected as the Company's new Independent Auditor.

Report of the Audit Committee

continued

It is the Company's policy to put the statutory audit out to tender at least every ten years.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014. In recognition of underlying audit rotation requirements, the Committee currently intends that a further tender process will be undertaken during the year to 30 November 2029 to cover the financial year ending 30 November 2029 onwards. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service.

There were no fees paid to the Auditor in respect of non-audit services during the year. The Company's policy on non-audit services is set out in full in the Audit Committee's terms of reference which are available on the Company's website at www.blackrock.com/uk/thrg.

Assessment of the effectiveness of the external audit process

To assess the effectiveness of the external audit, members of the Committee communicate regularly with BIM (UK) and BFM to obtain a good understanding of the quality and efficiency of the audit. The Committee has adopted a formal framework in its review of the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement leader and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Committee, the Manager and third party service providers in an effective audit process;
- communication by the Auditor with the Committee;
- monitoring and reviewing the supply of any non-audit services, taking into account relevant ethical guidelines regarding the provision of such services;
- how the Auditor supports the work of the Committee and how the audit contributes added value;
- a review of the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit engagement leader and his team.

The external Auditor is invited to attend the Committee meetings at which the half yearly and annual report and financial statements are considered and to meet with the Audit Committee without representatives of the Manager being present on at least one occasion. The effectiveness of the Board and the Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the Board's and the Manager's approach to the value of independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the auditor and the Committee.

To form a conclusion with regard to the independence of the external Auditor, the Committee considers whether the skills and experience of the Auditor makes it a suitable supplier of non-audit services and whether there are safeguards in place to ensure that there is no threat to its objectivity and independence in the conduct of the audit resulting from the provision of any such services. On a continuous basis, PricewaterhouseCoopers LLP reviews the independence of its relationship with the Company and, on a semi-annual basis, reports to the Committee, providing details of any other relationship with the Manager. As part of this review, the Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's Auditor, including information on the rotation of the Audit engagement leader and staff, the level of fees that the Company pays in proportion to the overall fee income of the firm, and the level of related fees, details of any relationships between the Audit firm and its staff and the Company as well as an overall confirmation from the Auditor of its independence and objectivity. As a result of its review, the Committee has concluded that PricewaterhouseCoopers LLP is independent of the Company and the Manager.

Conclusions in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion that the Annual Report and Financial Statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether these criteria are satisfied. In so doing, the Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the extensive levels of review that are undertaken in the production process by the Manager, the Depositary and the Committee;
- the controls that are in place at the Manager and other third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Custodian and Fund Accountant.

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable and provide shareholders with the information necessary to assess the Company's position, performance, business model and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general. The Committee has reported on these findings to the Board who affirms the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements on pages 84 and 85.

ANGELA LANE
Chairman of the Audit Committee
2 February 2024

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements, (including the Directors' Remuneration Report) in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 these Financial Statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the Financial Statements;
- provide additional disclosures when compliance with the specific requirements in international accounting standards in conformity with the requirements of the Companies Act 2006, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; 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 also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Corporate Governance Statement in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Investment Manager and the AIFM for the maintenance and integrity of the Company's corporate and financial information included on BlackRock's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names are listed on pages 35 to 37, confirms to the best of his or her knowledge that:

- the Financial Statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and net loss of the Company; and
- the Annual Report and Financial Statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit Committee's report on pages 79 to 83. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 30 November 2023, taken as a whole, are fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

CHRISTOPHER SAMUEL
Chairman
2 February 2024

Financial Statements

Online classifieds specialist Baltic Classified Group was another notable contributor to performance.

Independent Auditor’s Report

to the members of BlackRock Throgmorton Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, BlackRock Throgmorton Trust plc’s financial statements:

- give a true and fair view of the state of the Company’s affairs as at 30 November 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the Statement of Financial Position as at 30 November 2023; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages BlackRock Fund Managers Limited (the ‘Manager’) to manage its assets. The Manager engages Bank of New York Mellon (International) Limited (the “Fund Accountant”) to provide administrative functions to the Company. • We tailored the scope of our audit taking into account the type of investments within the Company, the involvement of the third parties, the accounting processes, controls, and the industry in which the Company operates.
Key audit matters	• Valuation and existence of investments • Accuracy, occurrence and completeness of investment income
Materiality	• Overall materiality: £5.8m (2022: £6.3m) based on 1% of net assets. • Performance materiality: £4.3m (2022: £4.7m).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments *Refer to the Report of the Audit Committee (page 80), Accounting policies (page 100) and Notes to the financial statements (page 107).* The investment portfolio at the year end comprised of listed equity investments valued at £558 million and a net holding of derivative Contracts for Difference (CFDs) with a net fair value of (£0.6m). We focused on the valuation and existence of investments because investments represent the principal element of the net asset value (NAV) as disclosed on the Statement of Financial Position in the Financial Statements.	Our audit work on the valuation and existence of the investments included the following: • We tested the valuation of all investments and CFDs by agreeing the valuation to independent third party sources using our proprietary data analytics tool “Halo”. Where further investigation was required into Halo pricing, for example where no price was returned by Halo, we manually agreed pricing to independent third party sources. • We tested the existence of all of the investments and CFDs by agreeing the Company’s holdings to an independent custodian confirmation in the case of the listed equity investments, as well as independent broker confirmations for the portfolio of derivatives, as at 30 November 2023. We have no matters to report as a result of this testing.
Accuracy, occurrence and completeness of investment income *Refer to the Report of the Audit Committee (page 81), Accounting policies (page 99) and Notes to the Financial Statements (page 102).* Income from investments consists primarily of dividend income. Within dividend income there is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an inappropriate accounting treatment. In addition, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as ‘revenue’ or ‘capital’ in the Statement of Comprehensive Income.	We responded to this risk by performing the following audit procedures: • We obtained an understanding of the processes and controls around income recognition and classification of special dividends by reviewing the internal control reports of the Fund Accountant. • We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. • For all dividends recorded by the Company, we performed our audit procedures through the use of our proprietary testing tool Halo: – We tested the accuracy of their receipts by agreeing the dividend rates from investments to independent market data. – We tested occurrence by examining for each investment holding, that all dividends recorded in the year had been declared in the market. – To test for completeness, we investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. • We tested the accuracy, occurrence, and completeness of net profit from derivatives by agreeing a sample of derivative returns against broker statements. • For the revenue generated by realised gains, we test the accuracy and occurrence by agreeing a sample of gains recorded to supporting evidence such as bank statements and broker statements. • As stipulated by the requirements set out in the AIC SORP, we tested on a sample basis the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income by determining reasons behind dividend distributions. We have no matters to report as a result of this testing. No material differences were identified.

Independent Auditor's Report

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

All audit procedures were conducted remotely by a UK audit team. We tested and examined information using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to form our own judgements.

The impact of climate risk on our audit

In planning our audit, we made enquiries of the Directors and the Investment Manager to understand the extent of the potential impact of climate change risk on the Company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the majority of the Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report and Investment Manager Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£5.8m (2022: £6.3m).
How we determined it	1% of net assets
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £4.3m (2022: £4.7m) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £288,000 (2022: £317,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in net asset value as a result of a severe but plausible downside in the market's performance on the ongoing ability of the Company to operate.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Report of the remuneration committee to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

Independent Auditor’s Report

continued

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors’ statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company’s position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors’ statement relating to the Company’s compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors’ responsibilities in respect of the Annual Report and Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors’ 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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Section 1158 of the Corporation Tax Act 2010 (see page 56 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- understand the controls implemented by the Company and the Fund Accountant designed to prevent and detect irregularities;
- assessment of the Company’s compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- identifying and testing journal entries, in particular year end journal entries posted by the Fund Accountant during the preparation of the financial statements;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial; and
- reviewing relevant meeting minutes, including those of the Audit Committee.

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Report of the remuneration committee to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the Directors on 21 March 2019 to audit the financial statements for the year ended 30 November 2019 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 30 November 2019 to 30 November 2023.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

2 February 2024

Statement of Comprehensive Income

for the year ended 30 November 2023

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Income from investments held at fair value through profit or loss	3	15,981	–	15,981	12,585	91	12,676
Net income from derivatives	3,11	830	–	830	1,526	–	1,526
Other income	3	1,139	–	1,139	749	–	749
Total income		**17,950**	**–**	**17,950**	**14,860**	**91**	**14,951**
Net loss on investments held at fair value through profit or loss	10	–	(28,389)	(28,389)	–	(250,583)	(250,583)
Net loss on foreign exchange		–	(114)	(114)	–	(676)	(676)
Net profit/(loss) from derivatives	11	–	242	242	–	(55,673)	(55,673)
Total		**17,950**	**(28,261)**	**(10,311)**	**14,860**	**(306,841)**	**(291,981)**
Expenses							
Investment management and performance fees	4	(629)	(3,903)	(4,532)	(756)	(2,269)	(3,025)
Other operating expenses	5	(792)	(20)	(812)	(843)	(20)	(863)
Total operating expenses		**(1,421)**	**(3,923)**	**(5,344)**	**(1,599)**	**(2,289)**	**(3,888)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**16,529**	**(32,184)**	**(15,655)**	**13,261**	**(309,130)**	**(295,869)**
Finance costs	6	(25)	(75)	(100)	(5)	(15)	(20)
Net profit/(loss) on ordinary activities before taxation		**16,504**	**(32,259)**	**(15,755)**	**13,256**	**(309,145)**	**(295,889)**
Taxation	7	6	–	6	1	–	1
Net profit/(loss) on ordinary activities after taxation		**16,510**	**(32,259)**	**(15,749)**	**13,257**	**(309,145)**	**(295,888)**
Earnings/(loss) per ordinary share (pence)	**9**	**16.56**	**(32.36)**	**(15.80)**	**12.95**	**(302.05)**	**(289.10)**

The total columns of this statement represent the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards (IAS). The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of the Company.

The Company does not have any other comprehensive income/(loss) (2022: £nil). The net profit/(loss) for the year disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 98 to 123 form part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 November 2023

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 30 November 2023								
At 30 November 2022		5,160	242,122	11,905	33,038	327,883	13,249	633,357
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(32,259)	16,510	(15,749)
Transactions with owners, recorded directly to equity:								
Ordinary shares bought back into treasury	14, 15	–	–	–	(29,646)	–	–	(29,646)
Share buyback costs	14, 15	–	–	–	(161)	–	–	(161)
Dividends paid[1]	8	–	–	–	–	–	(11,876)	(11,876)
At 30 November 2023		**5,160**	**242,122**	**11,905**	**3,231**	**295,624**	**17,883**	**575,925**
For the year ended 30 November 2022								
At 30 November 2021		5,072	225,660	11,905	44,582	637,028	10,901	935,148
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(309,145)	13,257	(295,888)
Transactions with owners, recorded directly to equity:								
Ordinary shares issued		88	16,479	–	–	–	–	16,567
Share issue costs		–	(17)	–	–	–	–	(17)
Ordinary shares bought back into treasury		–	–	–	(11,487)	–	–	(11,487)
Share purchase costs		–	–	–	(57)	–	–	(57)
Dividends paid[1]	8	–	–	–	–	–	(10,909)	(10,909)
At 30 November 2022		**5,160**	**242,122**	**11,905**	**33,038**	**327,883**	**13,249**	**633,357**

1 Final dividend of 8.50p per share for the year ended 30 November 2022, declared on 10 February 2023 and paid on 31 March 2023 and interim dividend of 3.30p per share for the year ended 30 November 2023, declared on 27 July 2023 and paid on 1 September 2023.

2 Final dividend of 8.00p per share for the year ended 30 November 2021, declared on 7 February 2022 and paid on 31 March 2022 and interim dividend of 2.60p per share for the year ended 30 November 2022, declared on 20 July 2022 and paid on 26 August 2022.

For information on the Company's distributable reserves please refer to note 15 on page 110.

The notes on pages 98 to 123 form part of these Financial Statements.

Statement of Financial Position

as at 30 November 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Investments held at fair value through profit or loss	10	557,594	576,771
Current assets			
Other receivables	12	2,280	3,131
Derivative financial assets held at fair value through profit or loss	11, 16	703	4,800
Current tax asset		365	174
Cash collateral pledged with brokers	11, 16	775	–
Cash and cash equivalents	11, 16	24,328	58,793
Total current assets		**28,451**	**66,898**
Total assets		**586,045**	**643,669**
Current liabilities			
Other payables	13	(7,740)	(2,240)
Derivative financial liabilities held at fair value through profit or loss	11, 16	(1,454)	(2,202)
Bank overdraft		(306)	–
Liability for cash collateral received	11, 16	(620)	(5,870)
Total current liabilities		**(10,120)**	**(10,312)**
Net assets		**575,925**	**633,357**
Equity attributable to equity holders			
Called up share capital	14	5,160	5,160
Share premium account	15	242,122	242,122
Capital redemption reserve	15	11,905	11,905
Special reserve	15	3,231	33,038
Capital reserves	15	295,624	327,883
Revenue reserve	15	17,883	13,249
Total equity		**575,925**	**633,357**
Net asset value per ordinary share (pence)	**9**	**600.72**	**626.10**

The Financial Statements on pages 94 to 123 were approved and authorised for issue by the Board of Directors on 2 February 2024 and signed on its behalf by Mr Christopher Samuel, Chairman.

BlackRock Throgmorton Trust plc

Registered in England, No. 00594634

The notes on pages 98 to 123 form part of these Financial Statements.

Cash Flow Statement

for the year ended 30 November 2023

	2023 £'000	2022 £'000
Operating activities		
Net loss on ordinary activities after taxation	(15,755)	(295,889)
Add back finance costs	100	20
Net loss on investments held at fair value through profit or loss (including transaction costs)	28,389	250,583
Net (profit)/loss from derivatives (including transaction costs)	(242)	55,673
Financing costs on derivatives	(2,324)	(1,101)
Net loss on foreign exchange	114	676
Sales of investments held at fair value through profit or loss	207,680	325,600
Purchases of investments held at fair value through profit or loss	(216,892)	(231,750)
Net receipts/(payments) on closure of derivatives	5,915	(65,886)
Increase in other receivables	(470)	(279)
Increase/(decrease) in other payables	2,892	(8,169)
Decrease/(increase) in amounts due from brokers	1,321	(998)
Increase/(decrease) in amounts due to brokers	2,365	(2,599)
Net cash collateral (pledged)/received	(6,025)	13,250
Net cash inflow from operating activities before taxation	**7,068**	**39,131**
Taxation paid	(185)	(92)
Net cash inflow from operating activities	**6,883**	**39,039**
Financing activities		
Interest paid	(100)	(20)
Cash proceeds from ordinary shares issued	–	17,680
Cash paid for ordinary shares bought back into treasury	(29,564)	(11,544)
Dividends paid	(11,876)	(10,909)
Net cash outflow from financing activities	**(41,540)**	**(4,793)**
(Decrease)/increase in cash and cash equivalents	**(34,657)**	**34,246**
Effect of foreign exchange rate changes	(114)	(676)
Change in cash and cash equivalents	**(34,771)**	**33,570**
Cash and cash equivalents at start of year	58,793	25,223
Cash and cash equivalents at end of year	**24,022**	**58,793**
Comprised of:		
Cash at bank	–	103
Bank overdraft	(306)	–
Cash Fund[1]	24,328	58,690
	24,022	**58,793**

[1] Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

The notes on pages 98 to 123 form part of these Financial Statements.

Notes to the Financial Statements

for the year ended 30 November 2023

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

2. Accounting policies

The principal accounting policies adopted by the Company have been applied consistently, other than where new policies have been adopted and are set out below.

(a) Basis of preparation

On 31 December 2020, International Financial Reporting Standards (IFRS) as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards (IAS), with future changes being subject to endorsement by the UK Endorsement Board and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The Financial Statements have been prepared under the historic cost convention modified by the revaluation of certain financial assets and financial liabilities held at fair value through profit or loss and in accordance with UK-adopted IAS. All of the Company's operations are of a continuing nature.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts issued by the Association of Investment Companies (AIC) in October 2019 and updated in July 2022 is compatible with UK-adopted IAS, the Financial Statements have been prepared in accordance with the guidance set out in the SORP.

Substantially all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future for the period to 2 February 2025, being a period of at least twelve months from the date of approval of the Financial Statements and therefore consider the going concern assumption to be appropriate. The Directors have reviewed the income and expense projections and the liquidity of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that:

- there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by IFRS 13; and

- the risk is adequately captured in the assumptions and inputs used in measurement of Level 3 assets, if any, as noted in note 16 of the Financial Statements.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by IFRS 13.

None of the Company's other assets and liabilities were considered to be potentially impacted by climate change.

The Company's Financial Statements are presented in Sterling, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Adoption of new and amended International Accounting Standards and interpretations:

IFRS 9 – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (effective 1 January 2022). The International Accounting Standards Board (IASB) has amended IFRS 9 Financial Instruments to clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Relevant International Accounting Standards that have yet to be adopted:

IFRS 17 – Insurance contracts (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide range of accounting practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

This standard is unlikely to have any impact on the Company as it has no insurance contracts.

IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023). The IASB has amended IAS 12 Income Taxes to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. These amendments might have a significant impact on the preparation of financial statements by companies that have substantial balances of right-of-use assets, lease liabilities, decommissioning, restoration and similar liabilities. The impact for those affected would be the recognition of additional deferred tax assets and liabilities.

The amendment of this standard is unlikely to have any significant impact on the Company.

IAS 8 – Definition of accounting estimates (effective 1 January 2023). The IASB has amended IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help distinguish between accounting policies and accounting estimates, replacing the definition of accounting estimates.

IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies (effective 1 January 2023). The IASB has amended IAS 1 Presentation of Financial Statements to help preparers in deciding which accounting policies to disclose in their financial statements by stating that an entity is now required to disclose material accounting policies instead of significant accounting policies.

IAS 1 Classification of liabilities as current or non-current (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to clarify its requirement for the presentation of liabilities depending on the rights that exist at the end of the reporting period. The amendment requires liabilities to be classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights.

IAS 12 – International Tax Reform Pillar Two Model Rules (effective 1 January 2023). The IASB has published amendments to IAS 12 Income Taxes to respond to stakeholders' concerns about the potential implications of the imminent implementation of the OECD pillar two rules on the accounting for income taxes. The amendment is an exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets as liabilities related to the OECD pillar two income taxes and a requirement that current tax expenses must be disclosed separately to pillar two income taxes.

None of the standards that have been issued but are not yet effective are expected to have a material impact on the Company.

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

(c) Segmental reporting
The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(d) Income
Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received. Special dividends, if any, are treated as a capital or a revenue receipt depending on the facts or circumstances of each particular case. The return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security.

Deposit interest receivable is accounted for on an accruals basis. Interest income from the Cash Fund is accounted for on an accruals basis.

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

Notes to the Financial Statements
continued

2. Accounting policies continued
(e) Expenses
All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue column of the Statement of Comprehensive Income, except as follows:

- expenses which are incidental to the acquisition or sale of an investment are charged to the capital column of the Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed within note 10 to the Financial Statements on page 107;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated;
- the investment management fee and finance costs have been allocated 25% to the revenue account and 75% to the capital account column of the Statement of Comprehensive Income in line with the Board's expected long term split of returns, in the form of capital gains and income, respectively, from the investment portfolio; and
- performance fees are allocated 100% to the capital column of the Statement of Comprehensive Income as fees are generated in connection with enhancing the value of the investment portfolio.

(f) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Where expenses are allocated between capital and revenue accounts, any tax relief in respect of expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to pay less taxation in the future have occurred at the financial reporting date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred taxation assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

(g) Investments held at fair value through profit or loss
In accordance with IFRS 9, the Company classifies its investments at initial recognition as held at fair value through profit or loss and are managed and evaluated on a fair value basis in accordance with its investment strategy and business model.

All investments are measured initially and subsequently at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales of investments are recognised at the trade date of the disposal.

The fair value of the financial investments is based on their quoted bid price at the financial reporting date, without deduction for the estimated selling costs. This policy applies to all current and non-current asset investments held by the Company.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Net profit/(loss) on investments held at fair value through profit or loss". Also included within the heading are transaction costs in relation to the purchase or sale of investments.

For all financial instruments not traded in an active market, the fair value is determined by using various valuation techniques. Valuation techniques include market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (e.g., discounted cash flow analysis and option pricing models making use of available and supportable market data where possible). See note 2(o) below.

(h) Derivatives
The Company can hold long and short positions in contracts for difference (CFDs) and index futures which are held at fair value based on the bid prices of the underlying securities in respect of long positions and the offer prices of the underlying securities in respect of short positions.

Profits and losses on derivative transactions are recognised in the Statement of Comprehensive Income. They are shown in the capital column of the Statement of Comprehensive Income if they are of a capital nature and are shown in the revenue column of the Statement of Comprehensive Income if they are of a revenue nature. To the extent that any profits or losses are of a mixed revenue and capital nature, they are apportioned between revenue and capital accordingly. Derivative assets and derivative liabilities that are subject to netting arrangements are offset in the Statement of Financial Position.

(i) Other receivables and other payables
Other receivables and other payables do not carry any interest and are short term in nature and are accordingly stated on an amortised cost basis.

(j) Dividends payable
Under IAS, final dividends should not be accrued in the Financial Statements unless they have been approved by shareholders before the financial reporting date. Interim dividends should not be recognised in the Financial Statements unless they have been paid.

Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity.

(k) Foreign currency translation
Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities and non-monetary assets held at fair value are translated into Sterling at the rate ruling on the financial reporting date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income as a revenue or capital item depending on the income or expense to which they relate. For investment transactions and investments held at the year end, denominated in a foreign currency, the resulting gains or losses are included in the gain on investments held at fair value through profit or loss in the Statement of Comprehensive Income.

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

The Cash Fund is managed by BlackRock Asset Management Ireland Limited and is subject to fees and expenses which are capped at 0.03% of the NAV. The investment is managed as part of the Company's cash and cash equivalents as defined under IAS 7 and is presented as a cash equivalent in the Financial Statements.

(m) Bank borrowings
Bank overdrafts are recorded as the proceeds received. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

(n) Share repurchases, share reissues and new share issues
Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased, and the capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the special reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the special reserve.

Where treasury shares are subsequently re-issued:

- amounts received to the extent of the repurchase price are credited to the special reserve; and
- any surplus received in excess of the repurchase price is taken to the share premium account.

Where new shares are issued, the par value is taken to called up share capital and amounts received to the extent of any surplus received in excess of the par value are taken to the share premium account.

Share issue costs are charged to the share premium account. Costs on share reissues are charged to the special reserve and capital reserves.

(o) Critical accounting estimates and judgements
The Directors of the Company make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. There are no critical accounting estimates or judgements.

Notes to the Financial Statements
continued

3. Income

	2023 £'000	2022 £'000
Investment income:		
UK dividends	12,201	9,654
UK special dividends	1,464	839
UK REIT dividends	610	509
Overseas dividends	1,706	1,515
UK stock dividends	–	68
Total investment income[1]	**15,981**	**12,585**
Net income from derivatives	830	1,526
Other income:		
Deposit interest	3	111
Interest from Cash Fund	1,083	594
Collateral interest	53	44
	1,139	**749**
Total income	**17,950**	**14,860**

[1] UK and overseas dividends are presented based on the country of domicile of the respective underlying portfolio company.

Dividends and interest received in cash during the year amounted to £15,499,000 and £1,191,000 (2022: £12,223,000 and £615,000).

No special dividends have been recognised in capital during the year (2022: £91,000).

4. Investment management and performance fees

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Investment management fee	629	1,889	2,518	756	2,269	3,025
Performance fee	–	2,014	2,014	–	–	–
Total	**629**	**3,903**	**4,532**	**756**	**2,269**	**3,025**

Investment Management fees
The investment management fee is calculated at the rate of 0.35% per annum on month end Gross Assets. For the purposes of this note, Gross Assets are defined as the value of the portfolio of the Company, including uninvested cash, with the portfolio valuation based on value at risk (with value at risk being the gross asset value of the long-only portfolio plus the gross value of the underlying equities, long and short, to which the Company is exposed through derivatives including CFDs and index futures). The management fee is charged 25% to the revenue account and 75% to the capital account of the Statement of Comprehensive Income. There is no additional fee for company secretarial and administration services.

Performance fees
The performance fee is calculated at the rate of 15% of the outperformance of the Company. For the purpose of this note, outperformance is defined as the amount by which the annualised percentage Net Asset Value total return of the Company arithmetically exceeds the annualised percentage return of the Benchmark Index, measured over a rolling two-year performance period. This rate is applied to the average Gross Assets, in that rolling two-year performance period. Outperformance is the amount by which the Net Asset Value total return arithmetically exceeds the Benchmark Index total return.

There is a cap on the annual total management and performance fees of 1.25% per financial year of the average Gross Assets over the rolling two-year performance period (the "Cap" or "Capped Amount") which has the effect of capping the annual performance fees at circa 0.9% of average Gross Assets and which means that the performance fee from any performance period will not exceed 0.9% of average Gross Assets for the relevant performance period.

The performance fee is calculated daily for the rolling two-year performance period ending 30 November 2023 and the rolling two-year performance period ending 30 November 2024 and, accruals are made in the NAV subject to the Cap. The performance fee is payable on 30 November each year in relation to the rolling two-year performance period ending on that date. The accrual is calculated applying the following assumptions:

- The Benchmark Index remains unchanged;
- The Net Asset Value total return performs in line with the Benchmark Index total return for the remainder of the respective rolling two-year performance periods ending 30 November 2023 and 30 November 2024; and
- The future value of Gross Assets for performance fee purposes is the same at the balance sheet date.

The amount of outperformance on which a performance fee has not been paid in a financial year due to the application of the Cap will be carried forward to offset against future shortfall returns. As at 1 December 2023, the carried forward unpaid net outperformance, net of prior period shortfall returns, available to offset against future shortfall returns was 4.8% (1 December 2022: 10.7%). On the first day of the financial year, due to the application of the Cap in the prior financial year, any performance fee for the ongoing rolling two-year performance period not yet recognised is accrued in the daily NAV released to the London Stock Exchange on that day.

Performance fees have been wholly allocated to the capital account of the Statement of Comprehensive Income as the performance has been predominantly generated through capital returns from the investment portfolio. For the year ended 30 November 2023, the total accrual of performance fee for all rolling two-year performance periods amounted to £2,014,000 (2022: £nil), calculated as follows:

- For the annualised rolling two-year performance period to 30 November 2023, the Company has underperformed the benchmark by 5.9% as at 30 November 2023. No performance fee relating to this performance period has been accrued at the date of this report.
- For the annualised rolling two-year performance period to 30 November 2024, the Company has outperformed the benchmark by 1.9% as at 30 November 2023. A performance fee of £2,014,000 relating to this performance period has been accrued at the date of this report, which does not become payable until 30 November 2024, subject to the ongoing performance of the Company.

Notes to the Financial Statements
continued

5. Other operating expenses

	2023 £'000	2022 £'000
Allocated to revenue:		
Custody fee	7	8
Auditor's remuneration[1]	58	52
Registrar's fee	44	45
Directors' emoluments[2]	224	205
Broker fees	36	35
Depositary fees	70	83
Marketing fees	149	153
FCA fees	27	28
Printing and postage fees	43	42
AIC fees	21	21
Stock exchange listing fees	31	102
Write back of prior year expenses[3]	(12)	(26)
Other administrative costs	94	95
	792	**843**
Allocated to capital:		
Custody transaction charges[4]	20	20
	812	**863**
The Company's ongoing charges[5], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding performance fees, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, were:	0.54%	0.54%
The Company's ongoing charges[5], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses and including performance fees but excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, were:	0.87%	0.54%

1 No non-audit services were provided by the Company's auditors.

2 Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 74. The Company has no employees.

3 Relates to Directors' recruitment fees, miscellaneous fees and postage fees written back during the year (2022: Directors' expenses, legal fees, registration fees and miscellaneous fees).

4 For the year ended 30 November 2023, expenses of £20,000 (2022: £20,000) were charged to the capital account of the Statement of Comprehensive Income. These relate to transaction costs charged by the Custodian on sale and purchase trades.

5 Alternative Performance Measures, see Glossary on pages 135 to 138.

6. Finance costs

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Interest paid on bank overdraft	4	12	16	–	1	1
Collateral interest paid	21	63	84	5	14	19
	25	**75**	**100**	**5**	**15**	**20**

7. Taxation

(a) Analysis of credit in year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Current taxation:						
Overseas taxation	(6)	–	(6)	–	–	–
Prior year adjustment	–	–	–	(1)	–	(1)
Total taxation credit (note 7(b))	**(6)**	**–**	**(6)**	**(1)**	**–**	**(1)**

(b) Factors affecting total taxation credit for the year

The taxation assessed for the year is higher (2022: higher) than the blended rate of corporation tax used of 23.01% (based on a rate of 19.00% up to 31 March 2023 and a rate of 25.00% from 1 April 2023) (2022: standard rate of corporation tax of 19.00%). The differences are explained below:

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Profit/(loss) on ordinary activities before taxation	16,504	(32,259)	(15,755)	13,256	(309,145)	(295,889)
Profit/(loss) on ordinary activities multiplied by blended rate of 23.01% (2022: standard rate of 19.00%)	3,798	(7,423)	(3,625)	2,519	(58,738)	(56,219)
Effects of:						
Non-taxable UK dividend income	(3,144)	–	(3,144)	(2,001)	(17)	(2,018)
Non-taxable overseas dividend income	(393)	–	(393)	(288)	–	(288)
Overseas tax suffered	(6)	–	(6)	–	–	–
Net loss on investments held at fair value through profit or loss	–	6,533	6,533	–	47,611	47,611
Net (profit)/loss from derivatives	–	(56)	(56)	–	10,578	10,578
Non-taxable stock dividend income	–	–	–	(13)	–	(13)
Net foreign exchange loss	–	26	26	–	128	128
Disallowed expenses	–	5	5	–	4	4
Management expenses not (utilised)/relieved	(261)	915	654	(217)	434	217
Prior year adjustment	–	–	–	(1)	–	(1)
	(3,804)	7,423	3,619	(2,520)	58,738	56,218
Total taxation credit for the year (note 7(a))	**(6)**	**–**	**(6)**	**(1)**	**–**	**(1)**

For the year ended/as at 30 November 2023 the Company had net surplus management expenses of £105.6 million (2022: £102.7 million) and a non-trade loan relationship deficit of £49.2 million (2022: £49.2 million). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period. Accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing tax losses. Accordingly, the deferred tax asset of £38.7 million (2022: £38.0 million) has not been recognised as at 30 November 2023 which has been calculated based on the corporation tax rate in effect from 1 April 2023 of 25%, as enacted by the Finance Act 2021.

Notes to the Financial Statements

continued

8. Dividends

Dividends paid on equity shares:	Record date	Payment date	2023 £'000	2022 £'000
Final dividend of 8.50p per share for the year ended 30 November 2022 (2021: 8.00p)	24 February 2023	31 March 2023	8,595	8,255
Interim dividend of 3.30p per share for the year ended 30 November 2023 (2022: 2.60p)	4 August 2023	1 September 2023	3,281	2,654
			11,876	**10,909**

The total dividends payable in respect of the year ended 30 November 2023 which form the basis of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amounts proposed, meet the relevant requirements as set out in this legislation.

Dividends paid or declared on equity shares:	2023 £'000	2022 £'000
Interim dividend of 3.30p per share for the year ended 30 November 2023 (2022: 2.60p)	3,281	2,654
Final dividend of 11.45p per share for the year ended 30 November 2023[1] (2022: 8.50p)	10,911	8,595
	14,192	**11,249**

1 Based on 95,291,492 ordinary shares in issue on 31 January 2024.

9. Earnings and net asset value per ordinary share

Total revenue, capital loss and net asset value per ordinary share are shown below and have been calculated using the following:

	Year ended 30 November 2023	Year ended 30 November 2022
Net revenue profit attributable to ordinary shareholders (£'000)	16,510	13,257
Net capital loss attributable to ordinary shareholders (£'000)	(32,259)	(309,145)
Total loss attributable to ordinary shareholders (£'000)	**(15,749)**	**(295,888)**
Equity shareholders' funds (£'000)	**575,925**	**633,357**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	99,704,909	102,346,782
The actual number of ordinary shares in issue at the year end on which the net asset value per ordinary share was calculated was:	95,872,161	101,158,864
Loss per ordinary share		
Revenue earnings per share (pence) – basic and diluted	16.56	12.95
Capital loss per share (pence) – basic and diluted	(32.36)	(302.05)
Total loss per share (pence) – basic and diluted	**(15.80)**	**(289.10)**

	As at 30 November 2023	As at 30 November 2022
Net asset value per ordinary share (pence)	600.72	626.10
Ordinary share price (pence)	579.00	595.00

There were no dilutive securities at the year end.

10. Investments held at fair value through profit or loss

	2023 £'000	2022 £'000
UK listed equity investments held at fair value through profit or loss	390,979	386,123
AIM traded stocks	166,615	190,648
Total value of financial asset investments at 30 November	**557,594**	**576,771**
Opening book cost of investments	572,761	674,311
Investment holding gains	4,010	246,893
Opening fair value	576,771	921,204
Analysis of transactions made during the year:		
Purchases at cost	216,892	231,750
Sales proceeds received	(207,680)	(325,600)
Loss on investments[1]	(28,389)	(250,583)
Closing fair value	**557,594**	**576,771**
Closing book cost of investments	583,950	572,761
Closing investment holdings (losses)/gains	(26,356)	4,010
Closing fair value	**557,594**	**576,771**

[1] The losses on investments for the year ended 30 November 2022 do not include special dividends totalling £91,000 that were recognised in capital (please see note 3).

The Company received £207,680,000 (2022: £325,600,000) from investments sold in the year. The book cost of these investments when they were purchased was £205,703,000 (2022: £333,300,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

During the year, transaction costs of £975,000 (2022: £858,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £141,000 (2022: £230,000). All transactions costs have been included within the capital reserves.

Notes to the Financial Statements

continued

11. Derivatives

The Company may use a variety of derivative contracts, and during the year entered into a number of index futures contracts and contracts for difference (CFDs). CFDs are synthetic equities and are valued by reference to the market values of the investments' underlying securities.

The sources of the return under the derivative contract (e.g., notional dividends, financing costs, interest returns and realised and unrealised gains and losses) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income and in accordance with the guidance given in the AIC SORP. Notional dividend income or expense arising on long or short positions is apportioned wholly to the revenue account. Notional interest income on short positions is allocated wholly to the revenue account. Notional interest expense on long and short positions is apportioned between revenue and capital in accordance with the Board's long term expected returns of the Company (currently determined to be 25% to revenue and 75% to capital). Changes in value relating to underlying price movements of securities in relation to long and short derivative exposures are allocated to capital. A summary of the various sources of return on the derivative contracts is given in the table below.

		2023			2022	
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Net realised gains/(losses) relating to underlying price movements	–	5,915	5,915	–	(65,886)	(65,886)
Net change in unrealised (losses)/gains relating to underlying price movements	–	(3,349)	(3,349)	–	11,314	11,314
Notional dividend income on long positions	2,268	–	2,268	2,378	–	2,378
Notional dividend expense on short positions	(666)	–	(666)	(490)	–	(490)
Notional interest expense on long positions	(961)	(2,888)	(3,849)	(369)	(1,111)	(1,480)
Notional interest income on short positions	189	564	753	7	10	17
Total return on derivative contracts for the year	**830**	**242**	**1,072**	**1,526**	**(55,673)**	**(54,147)**

The net fair values of derivative financial assets and liabilities are set out in the table below:

	2023 £'000	**2022 £'000**
Derivative financial assets held at fair value through profit or loss	703	4,800
Derivative financial liabilities held at fair value through profit or loss	(1,352)	(2,202)
Derivative financial liabilities: Amounts due to brokers in respect of revaluation losses on index futures	(102)	–
Total net derivative financial (liabilities)/assets	**(751)**	**2,598**

The fair value of derivative positions at 30 November 2023 was negative £751,000 (2022: positive £2,598,000), comprising gross revaluation gains of £3,349,000 (2022: £5,912,000) and gross revaluation losses of £4,100,000 (2022: £3,314,000). Net realised gains of £5,915,000 (2022: losses of £65,886,000) comprised realised gains of £54,428,000 (2022: £79,832,000) and realised losses of £48,513,000 (2022: £145,718,000).

As at 30 November 2023, the Company held cash and cash equivalent balances of £24,328,000 (2022: £58,793,000). The Company also pledged cash of £775,000 (2022: £nil) on margin accounts with counterparty brokers. This cash represents collateral posted to broker margin accounts in relation to amounts due to brokers in respect of unrealised losses on open derivative positions.

As at 30 November 2023 the Company also owed £620,000 (2022: £5,870,000) to brokers in respect of cash collateral received relating to amounts owed by these brokers to cover unrealised gains on open derivative positions. These cash balances are disclosed as an asset of £775,000 on the Statement of Financial Position (2022: £nil), and an equivalent creditor of £620,000 (2022: £5,870,000) is also shown to reflect the economic entitlement of the broker to these margins until such a time as the open derivative positions are closed out and the profits are realised. To the extent there are any unrealised losses on CFD contracts, the Company will transfer margin monies across to these broker margin deposit accounts. The Investment Manager monitors margin positions on a daily basis to ensure any margin deposit balances are minimised and any amounts owed to the Company are transferred on a timely basis. In the event of default, legal ownership of any monies held in the margin deposit accounts resides with the counterparty broker.

12. Other receivables

	2023 £'000	2022 £'000
Amounts due from brokers	712	2,033
Prepayments and accrued income	1,568	1,098
	2,280	**3,131**

13. Other payables

	2023 £'000	2022 £'000
Amounts due to brokers	2,808	443
Performance fee accrual	2,014	–
Accruals for expenses and interest payable	2,918	1,797
	7,740	**2,240**

14. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 5 pence each				
At 30 November 2022	101,158,864	2,051,000	103,209,864	5,160
Ordinary shares bought back into treasury	(5,286,703)	5,286,703	–	–
At 30 November 2023	**95,872,161**	**7,337,703**	**103,209,864**	**5,160**

During the year ended 30 November 2023, the Company bought back 5,286,703 shares into treasury (2022: 2,051,000) for a total consideration of £29,807,000 (2022: £11,544,000) including costs.

During the year ended 30 November 2023, no new shares were issued (2022: 1,773,900 new shares for a total consideration of £16,550,000 including costs).

Since 30 November 2023 and up to 31 January 2024, no shares have been reissued. 580,669 shares have been bought back into treasury for a total consideration of £3,519,000.

The ordinary shares give shareholders voting rights, the entitlement to all of the capital growth in the Company's assets and to all income from the Company that is resolved to be distributed.

Notes to the Financial Statements

continued

15. Reserves

	Share premium account	Capital redemption reserve	Distributable reserves: Special reserve	Distributable reserves: Capital reserve arising on investments sold	Distributable reserves: Capital reserve arising on revaluation of investments held	Distributable reserves: Revenue reserve
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 November 2022	242,122	11,905	33,038	321,274	6,609	13,249
Movement during the year:						
Total comprehensive income/(loss):						
Profit/(loss) for the year	–	–	–	1,455	(33,714)	16,510
Transactions with owners, recorded directly to equity:						
Ordinary shares bought back into treasury	–	–	(29,646)	–	–	–
Share buyback costs	–	–	(161)	–	–	–
Dividends paid	–	–	–	–	–	(11,876)
At 30 November 2023	**242,122**	**11,905**	**3,231**	**322,729**	**(27,105)**	**17,883**

	Share premium account	Capital redemption reserve	Distributable reserves: Special reserve	Distributable reserves: Capital reserve arising on investments sold	Distributable reserves: Capital reserve arising on revaluation of investments held	Distributable reserves: Revenue reserve
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 November 2021	225,660	11,905	44,582	398,865	238,163	10,901
Movement during the year:						
Total comprehensive (loss)/income:						
(Loss)/profit for the year	–	–	–	(77,591)	(231,554)	13,257
Transactions with owners, recorded directly to equity:						
Ordinary shares issued	16,479	–	–	–	–	–
Share issue costs	(17)	–	–	–	–	–
Ordinary shares bought back into treasury	–	–	(11,487)	–	–	–
Share purchase costs	–	–	(57)	–	–	–
Dividends paid	–	–	–	–	–	(10,909)
At 30 November 2022	**242,122**	**11,905**	**33,038**	**321,274**	**6,609**	**13,249**

The share premium account and capital redemption reserves are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. As 30 November 2023, there was no gain on capital reserve arising on the revaluation of investments (2022: gain of £6,609,000). The gain on revaluation of investments is subject to fair value movements and may not be readily realisable at short notice, as such any gains may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

16. Risk management policies and procedures

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/thrg for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM). However, as disclosed in the Corporate Governance Statement on pages 66 to 72 and in the Statement of Directors' Responsibilities on pages 84 and 85, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/thrg.

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit Committee twice yearly on key risk metrics and risk management processes; in addition, the Depositary monitors the performance of the AIFM and reports to the Audit Committee semi-annually. Any significant issues are reported to the Board as they arise.

Risk exposures

The risk exposures of the Company are set out as follows:

(a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in financial instruments in the face of market movements.

A key metric RQA uses to measure market risk is Value-at-Risk (VaR) which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables (including foreign currency risk, interest rate risk and other price risk), unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g., 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR percentage amounts. These limitations, and the nature of the VaR measure, mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued
The one-day VaR as at 30 November 2023 and 30 November 2022 (based on a 99% confidence level) was 2.20% and 4.58%, respectively.

(i) Market risk arising from other price risk
Exposure to other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change, or other events could have a significant impact on the Company and the market price of its investments.

The Company is exposed to market price risk arising from its equity investments and its exposure to derivative positions. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Company's exposure to other changes in market prices at 30 November 2023 on its equity investments was £557,594,000 (2022: £576,771,000). In addition, the Company's gross market exposure to these price changes through its derivatives exposure is set out below.

Use of derivatives
The Company may utilise both contracts for difference (CFDs) and index futures, as part of its investment policy. These instruments can be highly volatile and potentially expose investors to a higher risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage in respect of each transaction. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or loss which is high in proportion to the value of the net exposures in the underlying derivative positions.

The Company's current investment strategy specifically utilises CFDs and index futures. The Company limits the gross market exposure, and therefore the leverage, of this strategy to approximately 30% of the Company's net assets. The long and short CFD positions have a linear performance to referenced stocks quoted on exchanges and therefore have a volatility profile similar to the underlying stocks. See 'Management of OTC financial derivative instruments' paragraph below for gearing through the use of derivatives.

Management of other price risk
By diversifying the portfolio, where this is appropriate and consistent with the Company's objective, the risk that a price change of a particular investment will have a material impact on the NAV of the Company is reduced which is in line with the investment objective of the Company.

Management of over-the-counter (OTC) financial derivative instruments
Economic exposure through derivatives is restricted to 30% of the net asset value of the Company. The gross value represents the aggregate of the long and short exposure without netting and so within this limit market exposure may be significantly less. The net exposure refers to the market exposure the Company has to the underlying securities on long derivative positions, less the market exposure of the underlying securities on which the Company has taken in short derivative positions. Further definitions are provided in the Glossary on pages 135 to 138. To the extent derivatives are used to gear the Company's portfolio, aggregate leverage through the use of derivatives will not exceed 30% of net assets. The Board's policy is that net gearing, borrowing less cash, should not exceed 20% of gross assets.

Exposures are monitored daily by the Investment Manager and its independent risk management team and can be closed out at any time by the Company, subject to market liquidity. The Company's Board also reviews exposures regularly.

The CFD positions are diversified across sectors and geographies comprising 42 positions as at 30 November 2023 (2022: 37).

The gross underlying notional exposures through derivatives at 30 November 2023 and 30 November 2022 were:

	2023 £'000	% of net assets	2022 £'000	% of net assets
Gross exposure relating to long derivative positions	78,277	13.6	99,602	15.7
Gross exposure relating to short derivative positions	22,086	3.8	15,637	2.5
Index Futures – gross exposure relating to long position	5,844	1.0	–	–
Gross economic exposure subject to a 30% restriction (see above)	106,207	18.4	115,239	18.2
Net market exposure	62,035	10.8	83,965	13.2

Concentration of exposure to market risks

An analysis of the Company's investment portfolio, and sector analysis, is shown on pages 21 to 30. At 30 November 2023, this shows the majority of the portfolio's value is in UK companies. Accordingly, there is concentration of exposure to the UK, although it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

(ii) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

As the Company's objective is to achieve capital growth for shareholders through investment mainly in smaller UK quoted companies, substantially all of the Company's assets are Sterling denominated. Up to 15% of the Company's portfolio can be invested in overseas companies. Consequently, at any time a proportion of the Company's assets, liabilities and income may be denominated in currencies other than Sterling (the Company's functional currency and that in which it reports its results). There were six non-Sterling denominated long investment positions and there was one non-Sterling denominated short investment position held within the Company's portfolio at 30 November 2023 (2022: five long positions and no short positions).

The fair values of the Company's monetary items which have foreign currency exposure at 30 November 2023 and 30 November 2022 are shown below. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2023	Australian Dollar £'000	Euro £'000	Swedish Krona £'000	US Dollar £'000
Receivables (due from brokers, withholding tax receivable, prepayments and accrued income)	–	19	1	–
Derivatives – long positions (gross exposure)	4,685	5,283	–	10,416
Derivatives – short positions (gross exposure)	–	–	(2,315)	–
Cash and cash equivalents	–	–	–	–
Payables (due to brokers and other payables)	(3)	(12)	–	(15)
Total foreign currency exposure on net monetary items	**4,682**	**5,290**	**(2,314)**	**10,401**
Investments at fair value through profit and loss that are equities	–	3,729	–	–
Total net foreign currency exposure	**4,682**	**9,019**	**(2,314)**	**10,401**
Total net foreign currency exposure as a % of net assets	**0.81%**	**1.57%**	**-0.40%**	**1.81%**

16. Risk management policies and procedures continued

2022	Australian Dollar £'000	Euro £'000	Swedish Krona £'000	US Dollar £'000
Receivables (due from brokers, withholding tax receivable, prepayments and accrued income)	–	–	–	1,272
Derivatives – long positions (gross exposure)	3,913	12,872	–	11,370
Derivatives – short positions (gross exposure)	–	–	–	–
Cash and cash equivalents		–	–	–
Payables (due to brokers and other payables)	(7)	(87)	–	(22)
Total foreign currency exposure on net monetary items	**3,906**	**12,785**	**–**	**12,620**
Investments at fair value through profit and loss that are equities	–	5,227	–	619
Total net foreign currency exposure	**3,906**	**18,012**	**–**	**13,239**
Total net foreign currency exposure as a % of net assets	**0.62%**	**2.84%**	**–**	**2.09%**

Management of foreign currency risk
The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board of the Company on a regular basis.

The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the Financial Statements and its receipt. Although permitted, derivative contracts are not used to hedge against exposure to foreign currency risk.

Consequently, the Company is exposed to risks that the exchange rate of its reporting currencies, relative to other currencies, may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies.

(iii) Market risk arising from interest rate risk

Exposure to interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk specifically through its cash holdings and on positions within the CFD portfolio. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Movements in interest rates will also have an impact on the financing costs of the CFD derivative contracts. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

Interest rate exposure
The exposure at 30 November 2023 and 30 November 2022 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set; and
- fixed interest rates – when the financial instrument is due for repayment.

	2023 Within one year £'000	2022 Within one year £'000
Exposure to floating interest rates:		
Derivative contracts		
– Notional long derivative positions	78,277	99,602
– Notional short derivative positions	(22,086)	(15,637)
– Notional long index future positions	5,844	–
Cash Fund	24,328	58,690
Cash collateral pledged with brokers	775	–
Cash at bank	–	103
Bank overdraft	(306)	–
Cash collateral received	(620)	(5,870)

Management of interest rate risk
The Company is exposed to interest rate risk on cash holdings and CFD positions. The Company incurs charges on long positions when held.

The Company incurred a charge based on LIBOR plus 25 basis points for long CFD positions and received a benefit based on LIBOR minus 35 basis points for short positions. For non-Sterling long positions, the Company incurred a charge based on EURIBOR plus 25 basis points for positions denominated in Euros, Bank Bill Swap Rate plus 25 basis points for positions denominated in Australian Dollars, CHF LIBOR plus 30 basis points for positions denominated in Swiss Francs and the Federal Funds Rate plus 18 basis points for positions denominated in US Dollars. For non-Sterling short positions, the Company received a benefit based on EURIBOR minus 25 basis points for positions denominated in Euros and CHF LIBOR minus 30 basis points for positions denominated in Swiss Francs.

Notional interest is determined on a gross basis; i.e., for this purpose long and short positions or exposures within the master agreement are not netted for calculation of notional interest. Further details of notional interest arising in the year in relation to derivative positions are given within note 11 to the Financial Statements on page 108.

The Company has additional exposure to interest rate risk in relation to its holding in the Cash Fund. Interest received on this holding in the year was on average 4.73% (2022: 1.27%).

The Company does not have any fixed rate exposure at 30 November 2023 or 30 November 2022.

Interest rates received on cash balances or paid on bank borrowings, respectively, is set out in the table below:

2023	Interest received %	Interest paid %
Sterling	3.84	7.93

2022	Interest received %	Interest paid %
Sterling	0.96	4.20

(b) Counterparty credit risk
Credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell investments and through its positions in long and short derivatives.

The major counterparties engaged with the Company are all widely recognised and regulated entities.

There we no past due or impaired assets as of 30 November 2023.

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued

Depositary

The Company's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long term credit rating as at 30 November 2023: AA- (2022: AA-)). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Company's Custodian (as sub-delegated by the Depositary). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Company's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 30 November 2023 is the total value of equity investments held with the Depositary/Custodian and cash and cash equivalents in the Statement of Financial Position.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus, in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk. The Company will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Company's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company. The Board monitors the Company's risk by reviewing the custodian's internal control reports.

Counterparties/brokers

The Company only invests directly in markets that operate on a delivery versus payment basis, and consequently most investment transactions in listed securities involve simultaneous delivery of securities against cash payment using an approved broker. The risk of default is considered minimal, and the trade will fail if either party fails to meet its obligation.

Cash held as security by a counterparty to financial derivative contracts is subject to the credit risk of the counterparty. The following table details the total number of counterparties to which the Company is exposed, the maximum exposure to any one counterparty, the collateral held by the Company against this exposure, the total exposure to all other counterparties and the lowest long term credit rating of any one counterparty (or its ultimate parent if unrated).

	Total number of counterparties	Maximum exposure to any one counterparty[1]	Collateral held[1]	Total exposure to all other counterparties[1]	Lowest credit rating of any one counterparty[2]
		£'000	£'000	£'000	£'000
2023	5	1,795	400	1,980	A-
2022	8	4,005	–	729	A-

[1] Calculated on a net exposure basis.
[2] Standard & Poor's ratings.

The Company may also be exposed to counterparty risk should there be any rehypothecation of pledged collateral. Collateral is received/paid where the client service agreement states that there should be collateral movements agreed with the counterparty, where there is a requirement for a mark-to-market process or collateralisation to ensure that the Company is protected against any counterparty default.

Collateral

The Company engages in activities which may require collateral to be provided to a counterparty (pledged collateral) or may hold collateral received (inbound collateral) from a counterparty. Pledged and Inbound cash collateral is paid/received in Sterling. The Company uses inbound collateral received from a counterparty to reduce the counterparty credit risk associated with any trading activity in which the Company has engaged.

The collateral received/posted by the Company under the ISDA Master Agreement in respect of variation margin is transferred bilaterally under a title transfer arrangement. Collateral received by the Company in respect of variation margin is held in an account in the name of the Depositary on behalf of the Company. Collateral received is segregated from the assets belonging to the Company's Depositary.

At 30 November 2023, all cash collateral received by the Company in respect of CFD transactions was re-invested in the Cash Fund managed by the Manager or its affiliates as disclosed in the Schedule of Investments. The Company is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The returns earned by the Company from the reinvestment of cash collateral in the Cash Fund during the year ended 30 November 2023 was 4.73% (2022: 1.27%).

Cash collateral pledged by the Company is separately identified as an asset in the Statement of Financial Position and is not included as a component of cash and cash equivalents. Inbound cash collateral received by the Company is reflected as a liability on the Statement of Financial Position as cash collateral payable. The cash is subject to certain counterparty credit risk as the Company's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

The fair value of inbound cash collateral and cash collateral pledged is reflected in the Statement of Financial Position and is set out in the table below:

	Pledged collateral		**Liability for inbound collateral**	
	As at 30 November 2023	**As at 30 November 2022**	**As at 30 November 2023**	**As at 30 November 2022**
	£'000	**£'000**	**£'000**	**£'000**
Cash collateral	775	–	(620)	(5,870)

Receivables

Amounts due from brokers are disclosed on the Statement of Financial Position as receivables. The counterparties included in receivables are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk Team (RQA CCR). The Company monitors the ageing of receivables to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 30 November 2023 and 30 November 2022 was as follows:

	2023 3 months or less £'000	**2022 3 months or less £'000**
Derivative positions – amounts due from brokers	703	4,800
Cash Fund	24,328	58,690
Cash collateral pledged with brokers	775	–
Cash at bank	–	103
Amounts due from brokers	712	2,033
	26,518	**65,626**

The following table details the Company's exposure to derivatives and net cash collateral (received/pledged in Sterling) analysed by counterparty as at the balance sheet date:

2023 Name of counterparty	**Counterparty country of incorporation**	**Receivable/ (payable) for derivatives £'000**	**Cash collateral pledged/ (received) £'000**
JPMorgan	United States	67	(330)
Société Générale	France	636	(290)
BNP Paribas	France	(1,352)	400
Merrill Lynch	United States	(102)	375
		(751)	**155**

Notes to the Financial Statements

continued

16. Risk management policies and procedures continued

2022 Name of counterparty	Counterparty country of incorporation	Receivable/ (payable) for derivatives £'000	Cash collateral pledged/ (received) £'000
JPMorgan	United States	4,577	(4,160)
Société Générale	France	223	(580)
BNP Paribas	France	(2,202)	(1,130)
		2,598	**(5,870)**

Management of counterparty credit risk

Credit risk is monitored and managed by RQA CCR. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The counterparty/credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;

- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by the RQA CCR; and

- RQA CCR reviews the credit standard of the Company's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

The Board monitors the Company's counterparty risk by reviewing:

- the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's Custodian where controls are reviewed and tested;

- the Custodian's Service Organisation Control (SOC 1) reports which include a report by the Custodian's auditors. This report sets out any exceptions or issues noted as a result of the auditor's review of the Custodian's processes;

- the Manager's internal control reports which include a report by the Manager's auditors. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and

- in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

There were no past due assets as at 30 November 2023 (2022: £nil).

Offsetting disclosures

In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company may enter into an ISDA Master Agreement or similar agreement with its OTC derivative contract counterparties. An ISDA Master Agreement is an agreement between the Company and the counterparty that governs OTC derivative contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Company has a contractual right to offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

For financial reporting purposes, the Company does offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Financial Position. The disclosures set out in the following table include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

At 30 November 2023 and 2022, the Company's derivative assets and liabilities (by type) are as follows:

	At 30 November 2023		At 30 November 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Derivatives				
Long derivative positions	2,344	(3,361)	5,422	(2,692)
Short derivative positions	1,005	(637)	490	(622)
Index future position – long position	–	(102)	–	–
Total derivative assets and liabilities in the Statement of Financial Position	**3,349**	**(4,100)**	**5,912**	**(3,314)**
Derivatives not subject to a master netting agreement	–	–	–	–
Total assets and liabilities subject to a master netting agreement	**3,349**	**(4,100)**	**5,912**	**(3,314)**

The following table presents the Company's derivative assets and liabilities by counterparty, net of amounts available for offset, under a master netting agreement and net of any related collateral paid/(received) by the Company at 30 November 2023 and 30 November 2022:

Counterparty	Derivative assets/ (liabilities) subject to a master netting agreement by a counterparty £'000	Derivatives available for offset £'000	Net amount as per statement of financial position £'000	Non-cash collateral given £'000	Cash collateral £'000	Net amount of derivative assets/ (liabilities)[1] £'000
At 30 November 2023						
JPMorgan	1,758	(1,691)	67	–	(67)	–
Société Générale	827	(191)	636	–	(290)	346
BNP Paribas	764	(2,116)	(1,352)	–	400	(952)
Merrill Lynch	–	(102)	(102)	–	102	–
Total as at 30 November 2023	**3,349**	**(4,100)**	**(751)**	**–**	**145**	**(606)**
At 30 November 2022						
JPMorgan	5,537	(960)	4,577	–	(4,160)	417
Société Générale	288	(65)	223	–	(223)	–
BNP Paribas	87	(2,289)	(2,202)	–	(1,130)	(3,332)
Total as at 30 November 2022	**5,912**	**(3,314)**	**2,598**	**–**	**(5,513)**	**(2,915)**

[1] Amount represents the net amount receivable/(payable) from/(to) the counterparty in the event of default, and does not include over-collateralised positions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company is also exposed to the liquidity risk for margin calls on derivative instruments. At the year end, the Company had no overdraft facility (2022: nil).

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued

Liquidity risk exposure

The remaining undiscounted gross cash flows of the financial liabilities as at 30 November 2023 and 30 November 2022, which are payable in the next 90 days, were as follows:

	2023 3 months or less £'000	2022 3 months or less £'000
Amounts due to brokers, accruals and provisions	7,740	2,240
Derivative financial liabilities held at fair value through profit or loss	1,454	2,202
Cash collateral received in respect of derivatives	620	5,870
Bank overdraft	306	–
	10,120	**10,312**

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. However, the timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company may experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is not significant as the Company's assets are investments in listed securities that are readily realisable.

The Company is also exposed to liquidity risks from the leverage employed through exposure to long and short derivative positions. The underlying securities of the CFD contracts are all quoted investments that can be realised readily. Short derivative positions are backed by sufficient margin cash to reduce risk. Additional cash is held within the portfolio to further mitigate risk.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Investment Manager reviews daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) to the Financial Statements on page 100.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

As at the year end the long and short derivative positions were valued using the underlying equity bid price (offer price in respect of short positions) and the contract price at the inception of the trade or at the trade reset date. There have been no changes to the valuation technique since the previous year or as at the date of this report.

Contracts for difference have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the market prices of the underlying quoted securities to which these contracts expose the Company.

Level 3 – Valuation techniques using significant unobservable inputs
This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 assets or liabilities.

Fair values of financial assets and financial liabilities
The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

Financial assets/(liabilities) at fair value through profit or loss at 30 November 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	557,594	–	–	557,594
Contracts for difference (fair value)	–	703	–	703
Liabilities:			–	
Contracts for difference (fair value)	–	(1,352)	–	(1,352)
Index future	(102)	–	–	(102)
	557,492	**(649)**	**–**	**556,843**

Financial assets/(liabilities) at fair value through profit or loss at 30 November 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	576,771	–	–	576,771
Contracts for difference (fair value)	–	4,800	–	4,800
Liabilities:				
Contracts for difference (fair value)	–	(2,202)	–	(2,202)
	576,771	**2,598**	**–**	**579,369**

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued
There were no transfers between levels for financial assets and financial liabilities during the year recorded at fair value as at 30 November 2023 and 30 November 2022. The Company did not hold any Level 3 securities throughout the financial year or as at 30 November 2023 (2022: nil).

For exchange listed equity investments, the quoted price is the bid price. Contracts for difference are valued based on the bid price of the underlying quoted securities that the contracts relate to. Substantially, all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any price related risks, including climate risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

(e) Capital management policies and procedures
The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and

- secure long term capital growth and an attractive total return primarily through investing in quoted securities in the UK, as well as through investment in a portfolio of long and short derivative positions and/or comparable equity derivatives.

This is to be achieved through an appropriate balance of equity capital, investment in derivatives, and gearing. The policy is that any leverage arising through the Company's derivative contracts, should not exceed 30% of net assets. Additionally net gearing (borrowing less cash) should not exceed 20% of net assets.

The Company's total capital at 30 November 2023 was £575,925,000 (2022: £633,357,000), comprising capital and reserves.

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and

- the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and

- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

17. Related party disclosure
Directors' emoluments
At the date of this report, the Board consists of six Non-executive Directors, all of whom are considered to be independent of the Manager by the Board.

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 73 to 76. At 30 November 2023 £18,000 (2022: £17,000) was outstanding in respect of Directors' fees.

Significant Holdings
The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds) or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company (Significant Investors).

As at 30 November 2023

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.34	n/a	n/a

As at 30 November 2022

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.84	n/a	n/a

18. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on pages 56 and 57.

The investment management fee due for the year ended 30 November 2023 amounted to £2,518,000 (2022: £3,025,000). At the year end, £1,864,000 was outstanding in respect of management fees.

For the year ended 30 November 2023, there was no performance fee payable (2022: £nil). The total accrual of performance fee for all rolling two year performance periods amounted to £2,014,000 (2022: £nil), calculated as follows:

- For the annualised rolling two-year performance period to 30 November 2023, the Company has underperformed the benchmark by 5.9% as at 30 November 2023. No performance fee relating to this performance period has been accrued at the date of this report.

- For the annualised rolling two-year performance period to 30 November 2024, the Company has outperformed the benchmark by 1.9% as at 30 November 2023. A performance fee of £2,014,000 relating to this performance period has been accrued at the date of this report.

In addition to the above services, BIM (UK) has provided marketing services. The total fees paid or payable for these services for the year ended 30 November 2023 amounted to £149,000 excluding VAT (2022: £153,000). Marketing fees of £269,000 (2022: £120,000) were outstanding at the year end.

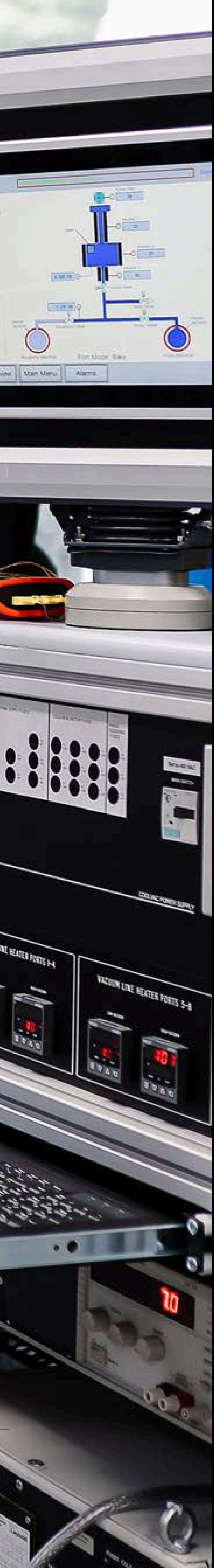
The Company has an investment in the BlackRock Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund of £24,328,000 (2022: £58,690,000) which for the year ended 30 November 2023 and 30 November 2022 has been presented in the financial statements as a cash equivalent.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware USA.

19. Contingent liabilities

There were no contingent liabilities at 30 November 2023 (2022: none).


Port Detail 6



Additional information

In the first six months of the year, manufacturing and research company Oxford instruments maintained its record of beating expectations and raising guidance.

PHOTO COURTESY OF OXFORD INSTRUMENTS

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

February	Annual results announced and Annual Report and Financial Statements published
March	Annual General Meeting
April	Final dividend paid
July	Interim figures announced and half yearly financial report published
August	Interim dividend paid

Dividend

The proposed final dividend in respect of the year ended 30 November 2023 is 11.45 pence per share. The Board also declared an interim dividend of 3.30 pence per share which was paid on 1 September 2023 to shareholders on the register on 4 August 2023.

Dividend timetable	Ordinary shares
Ex-dividend date (shares transferred without the dividend)	22 February 2024
Record date (last date for registering transfers to receive the dividend)	23 February 2024
Dividend payment date	28 March 2024

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, on 0370 707 4016 or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Dividend confirmations will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio reduced to £1,000 from 6 April 2023 and will reduce again to £500 from 6 April 2024. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Dividend reinvestment plan

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or on 0370 707 4016. Shareholders who have already opted to have their dividends reinvested do not need to reapply.

Share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at www.blackrock.com/uk/thrg.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB0008910555
SEDOL	0891055
Reuters	THRG.L
Bloomberg code	THRG:LN

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

Internet dealing – The fee for this service is 1% of the value of the transaction (subject to a minimum of £30).

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £50).

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an e-mail from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded.

Please submit your email address by visiting www.investorcentre.co.uk/ecomms (you will need your shareholder reference number, which is given on your share certificate or dividend confirmation).

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at www.eproxyappointment.com using a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Shareholder information
continued

Nominee code
Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and

- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Publication of net asset value/portfolio analysis
The NAV per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/thrg and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Online access
Other details about the Company are also available on the BlackRock website at www.blackrock.com/uk/thrg.

The Financial Statements and other literature are published on the BlackRock website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at www.investorcentre.co.uk. To access Computershare's website, you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Shareholders who hold a share certificate which has been issued by Capita Registrars should insert a 'C' before the shareholder reference number quoted on the certificate.

Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments
- Payments enquiry – view your dividends and other payment types
- Address change – change your registered address
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque
- e-Comms sign-up – choose to receive e-mail notification when your shareholder communications become available instead of paper communications
- Outstanding payments – reissue payments using the online replacement service
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms

Individual savings accounts (ISAs)
ISAs are a tax-efficient method of investment in the UK and the Company's shares are eligible investments within a stocks and shares ISA. In the 2023/2024 tax year, investors will be able to invest up to £20,000 in ISAs either as cash or shares.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes the shareholder reference number, available from either the share certificate, form of proxy or dividend confirmation or other electronic communications previously received from Computershare. Shareholders who hold a share certificate which has been issued by Capita Registrars should insert a 'C' before the shareholder reference number quoted on the certificate.

The address of the Computershare website is www.investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 4016.

Changes of name or address must be notified to the registrar either through Computershare's website, or in writing to:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries

Enquiries about the Company should be directed to:

The Company Secretary
BlackRock Throgmorton Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Analysis of ordinary shareholders
as at 30 November 2023

By type of holder

	Number of shares 2023	Number of shares 2022	% of total 2023	% of total 2022
Individuals	3,356,536	3,584,913	3.50	5.54
Bank or Nominees	91,954,520	97,015,227	95.87	93.35
Other	603,105	558,724	0.63	1.11
Total	**95,914,161**	**101,158,864**	**100.00**	**100.00**

Excludes 7,295,703 treasury shares held as at 30 November 2023.

	Number of holders 2023	Number of holders 2022	% of total 2023	% of total 2022
Individuals	733	766	64.30	59.59
Bank or Nominees	364	366	31.93	37.46
Other	43	44	3.77	2.95
Total	**1,140**	**1,176**	**100.00**	**100.00**

By size of holding

	Number of shares 2023	Number of shares 2022	% of total 2023	% of total 2022
1 – 10,000	2,424,264	2,572,450	2.53	2.54
10,001 – 100,000	6,052,389	5,956,406	6.31	5.89
100,001 – 1,000,000	16,597,918	24,673,468	17.30	24.39
1,000,001 – 5,000,000	43,214,548	46,866,431	45.06	46.33
Over 5,000,000	27,625,042	21,090,109	28.80	20.85
Total	**95,914,161**	**101,158,864**	**100.00**	**100.00**

Excludes 7,295,703 treasury shares held as at 30 November 2023.

	Number of holders 2023	Number of holders 2022	% of total 2023	% of total 2022
1 – 10,000	858	887	75.20	75.42
10,001 – 100,000	191	193	16.74	16.41
100,001 – 1,000,000	71	75	6.22	6.38
1,000,001 – 5,000,000	17	18	1.49	1.53
Over 5,000,000	4	3	0.35	0.26
Total	**1,141**	**1,176**	**100.00**	**100.00**

Management and other service providers

Registered Office

(Registered in England and Wales, No. 00594634)
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager and Company Secretary

BlackRock Investment Management (UK) Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Email: cosec@blackrock.com

Alternative Investment Fund Manager[2]

BlackRock Fund Managers Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Banker, Custodian and Depositary

The Bank of New York Mellon (International) Limited[1]
160 Queen Victoria Street
London EC4V 4LA

Registrar

Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 4016

Independent Auditor

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Stockbroker

Stifel Nicolaus Europe Limited[1]
150 Cheapside
London EC2V 6ET

Solicitor

Stephenson Harwood LLP
1 Finsbury Circus
London, EC2M 7SH

1 Authorised and regulated by the Financial Conduct Authority.

2 BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager of the Company under a delegation agreement with BFM.

AIFM report on remuneration (unaudited)

The below disclosures are made in respect of the remuneration policies of the BlackRock group ("BlackRock"), as they apply to BlackRock Fund Managers Limited (the "Manager"). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

Quantitative Remuneration Disclosure

The Manager is required to make quantitative disclosures of remuneration in accordance with the AIFMD, the Delegated Regulation and the FCA FUND Handbook. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund, including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly for the Manager.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Fund is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2022 is US$194.5 million. This figure is comprised of fixed remuneration of US$109.3 million and variable remuneration of US$85.2 million. There were a total of 3,790 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2022, to its senior management was US$21.6 million, and to members of its staff whose actions have a material impact on the risk profile of the Manager's AIFMD-related business was US$8.8 million. These figures relate to the entire Manager and not to the Company.

Other AIFMD Disclosures (unaudited)

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. Consistent with its investment objectives and policy, the Company may utilise derivative instruments as part of its investment policy.

The use of derivatives may expose the Company to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase the Company's volatility. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. Derivatives were used for leverage purposes during the year.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

Derivatives:	Commitment Leverage as at 30 November 2023	Gross Leverage as at 30 November 2023
Leverage ratio	1.15	1.19

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 16 to the notes to the Financial Statements on pages 111 to 122.

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. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/thrg.

There have been no material changes (other than those reflected in these Financial Statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

In addition, the European Union's PRIIPs Regulation requires that a key information document (KID) also be made available to investors before they invest. The PRIIPs compliant KID can also be found on the Company's website at www.blackrock.com/uk/thrg.

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking.

9.8.4 (7) The Company allotted no ordinary shares during the year.

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested, or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Glossary

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the Financial Statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Annual Report.

Benchmark Index

The Company's Benchmark Index used for performance comparative purposes is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

Benchmark Index outperformance/underperformance is measured by comparing the Company's net asset value return (NAV) total return, with the performance of the Benchmark Index on a total return basis.

As at 30 November 2023, the Company's NAV total return was -2.3% and the total return of the Benchmark Index was -6.0%, therefore the Company's NAV outperformance of the Benchmark Index was 3.7 percentage points.

As at 30 November 2023, the Company's share price return was -0.8% and the total return of the Benchmark Index was -6.0%, therefore the Company's share price outperformance of the Benchmark Index was 5.2 percentage points.

Closed-ended company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-ended funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open-ended funds and can therefore invest in less liquid investments.

Contract for difference (CFD)

A contract for difference is an agreement to exchange the difference in value of a particular share or index between the time at which a contract is opened and the time at which it is closed. A CFD allows an investor to gain access to the movement in the share price or index by putting down a small amount of cash known as a margin.

CFDs do not have an expiry date like options or futures contracts. As opposed to an expiry date a CFD is effectively renewed at the close of each trading day and rolled forward if desired.

Discount and premium*

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 30 November 2023, the share price was 579.00p (2022: 595.00p) and the audited NAV per share was 600.72p (2022: 626.10p), therefore giving a discount of 3.6% (2022: 5.0%) (please see note 9 of the Financial Statements for the audited inputs to the calculations).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 370p and the NAV 365p, the premium would be 1.4%.

Discounts and premia are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings*

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital, investment in derivatives and borrowings. The maximum exposure the Company may have to derivatives for investment purposes and efficient portfolio management purposes, in aggregate, is 120% of the Company's gross assets. The Company may use borrowings and enter into derivative transactions that have the effect of gearing the Company's portfolio to enhance performance.

* Alternative Performance Measure.

Glossary
continued

The Company's gross and net gearing through the use of long and short CFD positions as at 30 November 2023 and 30 November 2022 is set out in the table below.

Gross and net gearing	Page	30 November 2023 £'000	30 November 2022 £'000	
Long investment positions (excluding BlackRock's Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund)	27	641,715	676,373	(a)
Short investment positions	27	22,086	15,637	(b)
Gross geared exposure (c = a + b)		663,801	692,010	(c)
Net geared exposure (d = a – b)	27	619,629	660,736	(d)
Net assets	27	**575,925**	**633,357**	**(e)**
Gross gearing % of net assets (f = c/e x 100) %		**115.2**	**109.3**	**(f)**
Net gearing % of net assets (g = d/e x 100) %		**107.6**	**104.3**	**(g)**

Gross and net exposure

Market exposure gained through a CFD contract refers to the gross market value of the underlying securities to which the investor is exposed through the CFD contract. Gross exposure refers to the total exposure the investor has through both long and short positions added together. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has gross market exposure of 130%.

Net exposure refers to the exposure the investor has through long positions less any short positions. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has net market exposure of 90%; this method of measurement is looking at the net directional market exposure and takes into account the fact that long and short positions theoretically offset one another when the market moves in a particular direction.

Leverage

Leverage is defined in the AIFMD as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{exposure}}{\text{net asset value}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an "exposure" under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond" should be excluded from exposure calculations.

The Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity's exposure is effectively reduced.

Long and short exposure

CFDs enable an investor to benefit from the price of a stock falling as well as rising. This enables the investor to benefit from negative as well as positive views on individual stocks.

Entering into a CFD that results in a profit if the share price movement falls, is referred to as taking a short position. The counterparty pays the investor interest on the cash deposited with it, which collateralises the short positions and deductions are made from the value of the short CFD contract in respect of dividends payable in relation to these stocks. Entering into a CFD contract that results in a profit if the share price movement rises, is referred to as taking a long position. The investor pays a financing charge on long positions and receives payments from the counterparty in respect of dividends payable in relation to these long positions.

* Alternative Performance Measure.

NAV per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'total equity' by the total number of ordinary shares in issue (excluding treasury shares) as set out in note 9 to the Financial Statements on page 106 for the audited inputs to the calculation. For example, as at 30 November 2023, total equity was £575,925,000 (2022: £633,357,000) and there were 95,872,161 (2022: 101,158,864) ordinary shares in issue (excluding treasury shares) as set out in note 9 to the Financial Statements on page 106 for the audited inputs to the calculation; the NAV was therefore 600.72p per ordinary share (2022: 626.10p).

Total equity is calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

Net asset value (NAV) and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV total return	**Page**	**30 November 2023**	**30 November 2022**	
Closing NAV per share (pence)	106	600.72	626.10	
Add back quarterly dividends (pence)	106	11.80	10.60	
Effect of dividend reinvestment (pence)		(0.55)	(1.66)	
Adjusted closing NAV (pence)		611.97	635.04	(a)
Opening NAV per share (pence)	106	626.10	921.91	(b)
NAV total return (c = ((a – b)/b)) %		**(2.3)**	**(31.1)**	**(c)**

Share price total return	**Page**	**30 November 2023**	**30 November 2022**	
Closing share price (pence)	106	579.00	595.00	
Add back quarterly dividends (pence)	106	11.80	10.60	
Effect of dividend reinvestment (pence)		(0.54)	(2.11)	
Adjusted closing share price (pence)		590.26	603.49	(a)
Opening share price (pence)	106	595.00	935.00	(b)
Share price total return (c = ((a – b)/b)) %		**(0.8)**	**(35.5)**	**(c)**

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are calculated using the Company's annualised revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

* Alternative Performance Measure.

Glossary
continued

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation	Page	30 November 2023 £'000	30 November 2022 £'000	
Management fee	102	2,518	3,025	
Other operating expenses[1]	104	804	816	
Total management fee and other operating expenses		3,322	3,841	(a)
Performance fee	102	2,014	–	(b)
Total management and performance fees and other operating expenses (c = a + b)		5,336	3,841	(c)
Average daily net assets in the year		614,378	710,265	(d)
Ongoing charges in the year excluding performance fees (e = a/d) %		**0.54**	**0.54**	**(e)**
Ongoing charges in the year including performance fees (f = c/d) %		**0.87**	**0.54**	**(f)**

1 Excluding prior year expenses written back during the year and non-recurring expenses of £nil incurred during the year (2022: £53,000 relating to stock exchange listing fees).

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Performance attribution

	6 months ended 30 November 2023	Year ended 30 November 2023
Return on long portfolio	(2.9%)	(2.0%)
Return on short portfolio	0.9%	0.4%
Fees and expenses	(0.6%)	(1.0%)
Accretion from buybacks	0.2%	0.3%
NAV return	(2.4%)	(2.3%)
Benchmark index	(3.6%)	(6.0%)
NAV outperformance of benchmark	1.3%	3.70%

Source: BlackRock. Calculations are estimates and data is not audited.

* Alternative Performance Measure.

Annual general meeting

Long-term holding Games Workshop was another significant contributor to portfolio performance.

PHOTO COURTESY OF GAMES WORKSHOP

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of BlackRock Throgmorton Trust plc will be held at the offices of BlackRock, 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 19 March 2024 at 12.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions (which will be proposed in the case of resolutions 1 to 12, as ordinary resolutions and, in the case of resolutions 13 to 15, as special resolutions).

Ordinary business

1. To receive the report of the Directors of the Company and the Financial Statements for the year ended 30 November 2023, together with the report of the auditor thereon.

2. To approve the Directors' Remuneration Report for the year ended 30 November 2023 (excluding any content relating to the remuneration policy).

3. To approve a final dividend of 11.45 pence per share.

4. To re-elect Christopher Samuel as a Director of the Company.

5. To re-elect Louise Nash as a Director of the Company.

6. To re-elect Nigel Burton as a Director of the Company.

7. To re-elect Angela Lane as a Director of the Company.

8. To re-elect Merryn Somerset Webb as a Director of the Company.

9. To re-elect Glen Suarez as a Director of the Company.

10. To re-appoint PricewaterhouseCoopers LLP as Auditor to the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

11. To authorise the Audit Committee to determine the Auditor's remuneration.

Special business

Ordinary resolutions

12. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £476,207.46 (being 10% of the aggregate nominal amount of the issued share capital excluding treasury shares of the Company at the date of this notice) provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2025 but so that the Company may, before such expiry, make any offer or agreement which would or might require relevant securities to be allotted pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

Special resolutions

13. That, in substitution for all existing authorities and subject to the passing of resolution 12, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in Section 560 of the Act), and to sell equity securities held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority granted by resolution 12, as if Section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2025, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offers or agreements;

    (b) shall be limited to the allotment of equity securities and/or sale of equity securities held in treasury for cash up to an aggregate nominal amount of £476,207.46 (representing 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares of the Company at the date of this notice); and

(c) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury at a price of not less than the net asset value per share as close as practicable to the allotment or sale.

14. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 5p in the Company (Shares), the Company be and is hereby authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases of Shares (within the meaning of Section 693 of the Act), provided that:

(a) the maximum number of Shares hereby authorised to be purchased is 14,276,699 (being 14.99% of the Company's issued ordinary share capital, excluding treasury shares at the date of this notice);

(b) the minimum price (exclusive of expenses) which may be paid for a Share shall be 5p being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for a Share shall be the higher of: (i) 5% above the average of the market value of a Share for the five business days immediately preceding the date of purchase as derived from the Daily Official List of the London Stock Exchange; and (ii) the higher of the price quoted for (a) the last independent trade of; and (b) the highest current independent bid for, any number of Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2025 save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry.

All Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

15. That, the period of notice required for general meetings of the Company (other than Annual General Meetings) shall be not less than 14 clear days' notice.

By order of the Board

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of annual general meeting

continued

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy, you may use the form of proxy enclosed with this annual report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by not later than 12.00 p.m. on 15 March 2024. Amended instructions must also be received by the Company's registrar by the deadline for receipt of forms of proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12.00 p.m. on 15 March 2024.
3. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www. proxymity.io. Your proxy must be lodged by 12.00 p.m. on 15 March 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
4. Completion and return of the form of proxy will not prevent you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.
5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Only shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of the ordinary shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall 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 of the Company in respect of the relevant joint holding.
9. Shareholders who hold their ordinary shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of The Uncertificated Securities Regulations 2001.

11. If the Chairman, as a result of a proxy appointment, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and Financial Conduct Authority.

12. Any questions relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

14. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's Financial Statements (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Under Sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:

    (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or

    (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved, or a matter may properly be included in the business unless:

    (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

    (b) it is defamatory of any person; or

    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 6 February 2024, being the date six weeks clear before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

16. As at 2 February 2024 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital consisted of 95,241,492 ordinary shares of 5p each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total voting rights in the Company as at 2 February 2024 are 95,241,492.

17. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting, can be accessed at www.blackrock.com/uk/thrg.

18. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1. **Reject cold calls**
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2. **Check the FCA Warning List**
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3. **Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

Remember: if it sounds too good to be true, it probably is!

SGN001

Printed by Park Communications on FSC® certified paper.

Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on paper made of material from well-managed FSC®-certified forests and other controlled sources.

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C001785

BlackRock®

www.blackrock.com/uk/thrg