EDINBURGH WORLDWIDE INVESTMENT TRUST plc

Growth companies
shaping our tomorrow

Annual Report and Financial Statements
31 October 2021

BAILLIE GIFFORD

Edinburgh Worldwide's objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

Contents

Investor Disclosure Document

The UK Alternative Investment Fund Managers Regulations requires certain information to be made available to investors prior to their making an investment in the Company. The Company's Investor Disclosure Document is available for viewing at edinburghworldwide.co.uk.

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the Financial Conduct Authority. They are not authorised or regulated by the Financial Conduct Authority.

Edinburgh Worldwide Investment Trust plc currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

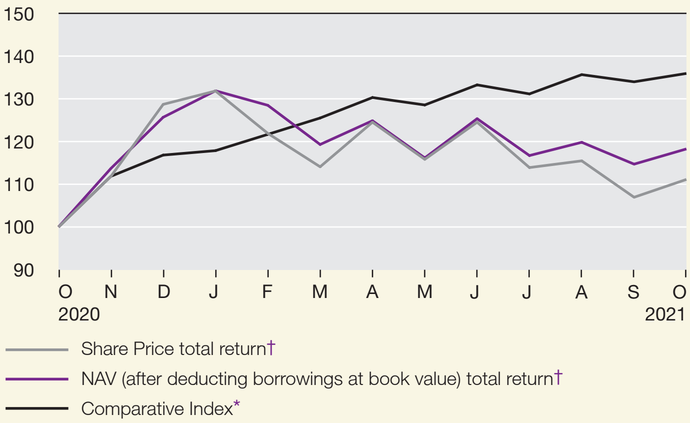
If you have sold or otherwise transferred all of your ordinary shares in Edinburgh Worldwide Investment Trust plc, please forward this document, together with any accompanying documents, but not your personalised Form of Proxy or Form of Direction, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Financial Highlights – Year to 31 October 2021

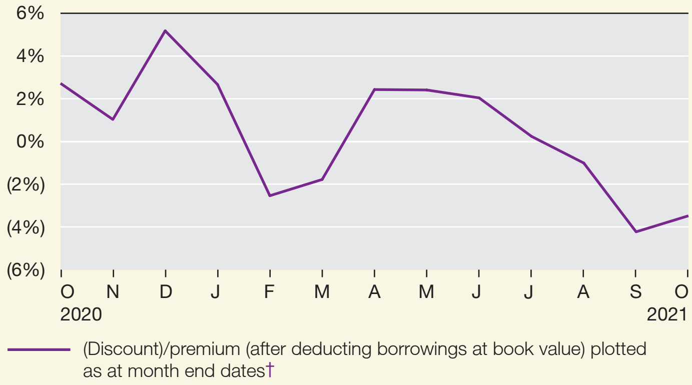
Share Price +11.1%	Net Asset Value +18.3%	Comparative Index +35.9%
	(borrowings at book value)	(S&P Global Small Cap Index total return (in sterling terms))

All figures total return.

Net Asset Value, Share Price and Comparative Index
(rebased to 100 at 31 October 2020)



(Discount)/Premium to Net Asset Value



* S&P Global Small Cap Index total return (in sterling terms).

† Alternative performance measure, see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 75.

Past performance is not a guide to future performance.

Company Summary

Investment Policy
Edinburgh Worldwide Investment Trust plc aims to achieve long term capital growth by investing primarily in listed companies throughout the world. Further details of the investment policy are given in the Business Review on pages 8 and 9 which includes the proposed amendments to the Company's Investment Objective and Policy which will be proposed at the upcoming Annual General Meeting.

Comparative Index
The index against which performance is compared is the S&P Global Small Cap Index total return (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

Management Details
The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The Management Agreement can be terminated on three months' notice.

The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

Capital Structure
At the year end the Company's share capital consisted of 405,203,695 fully paid ordinary shares of 1p each. The Company currently has powers to buy back shares at a discount to net asset value per share for cancellation or retention as treasury shares as well as to issue shares/sell treasury shares at a premium to net asset value.

AIC
The Company is a member of the Association of Investment Companies.

Strategic Report

This Strategic Report, which includes pages 2 to 24 and incorporates the Chairman's Statement, has been prepared in accordance with the Companies Act 2006.

Chairman's Statement

Henry Strutt, Chairman

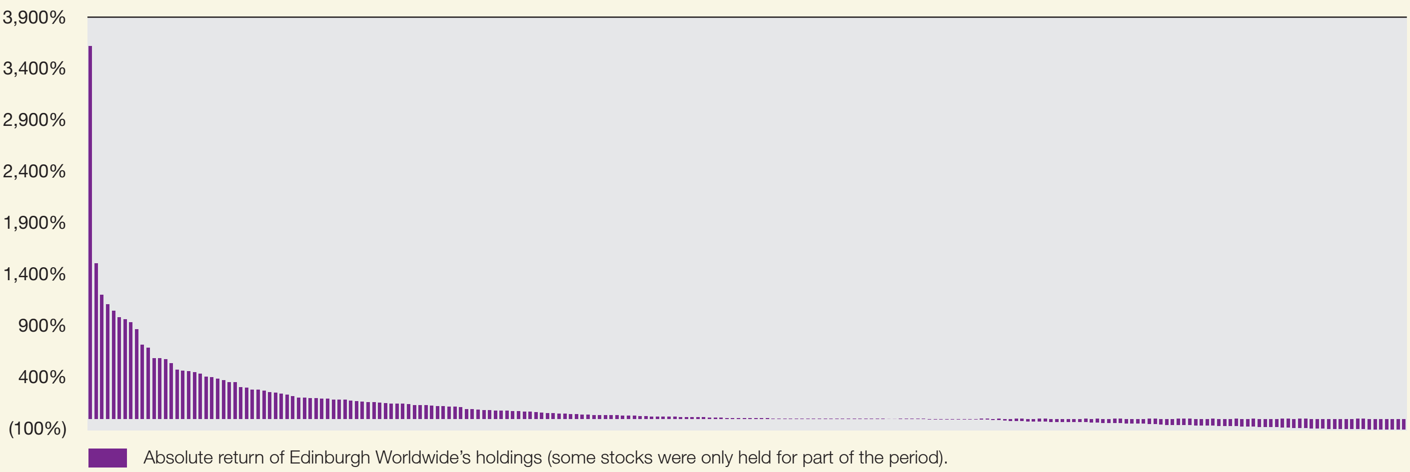
Performance

In the year to 31 October 2021, the Company's net asset value ('NAV') per share, when calculated by deducting borrowings at fair value, increased by 18.3% and the share price by 11.1%, both in total return terms. The comparative index, the S&P Global Small Cap Index* total return, increased by 35.9% in sterling terms during this period. The Company finished the year with a market capitalisation of £1,294.6 million and total assets of £1,407.5 million. Over the course of the financial year the share price averaged a 0.7% premium to net assets, with borrowings deducted at fair value. Portfolio turnover† was 9.1% compared to 8.4% for the Company's financial year to 31 October 2020 and the ongoing charge has reduced to 0.66% from 0.72%.

The Company's portfolio has been managed with a focus on the opportunity set lower down the market capitalisation spectrum since the end of January 2014. It is pleasing to note the 280.7% growth in the NAV since then is significantly ahead of the 149.9% achieved by the comparative index*. The chart below shows the distribution of returns for all the stocks held within the portfolio since 31 January 2014; each bar representing the return of each stock whilst held in the portfolio. This cumulative period holding analysis shows the broad distribution of returns achieved by the holdings from time of initial purchase to 31 October 2021 or the date in which the holding was fully sold from the portfolio.

Whilst it is understandably disappointing to report relative underperformance for the year to 31 October 2021, this should be set in the context of positive absolute returns and this being the first financial year of relative NAV underperformance since the financial year to 31 October 2016. Over the year, the top contributors to relative and absolute performance included Tesla, an electric car, autonomous driving and solar energy company, Codexis, an industrial and pharmaceutical enzyme developer, Upwork, an online freelancing and recruitment services platform and unlisted PsiQuantum, a developer of commercial quantum computing. In addition, the formerly private company Quantum Scape, a developer of solid state lithium metal batteries for electric cars, and Oxford Nanopore, a DNA sequencer, both of which listed during the year. The top detractors to relative and absolute performance over the year are names that rank amongst the top contributors to performance over five years: LendingTree, an online consumer finance marketplace, MarketAxess, an electronic bond trading platform, and Ocado, an online grocery retailer and technology provider.

Asymmetry of Returns



Source: StatPro since 31 January 2014 to 31 October 2021 in sterling terms.

* Source: Refinitiv and relevant underlying index providers. See disclaimer on page 75.
† Calculated by dividing the value of sales by the average of the opening and closing value of the investment portfolio.
For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.
Past performance is not a guide to future performance.

Share Buybacks, Treasury and Issuance

The Company will once again be seeking to renew its share buyback, issuance and treasury share authorities. The buyback facility is sought to allow the Company to buy back its own shares when the discount is substantial in absolute terms and relative to its peers. Issuance, either from treasury or of new shares, will only be undertaken at a premium to the prevailing NAV, with debt calculated at par, in order to satisfy natural market demand. Issuance at a premium enhances the NAV per share for existing shareholders, dilutes ongoing costs and helps with the trading liquidity of the shares of the Company.

Over the course of the last financial year, the Company issued 50.9 million new shares at a premium to its NAV, raising net proceeds of £182.2 million and increasing the NAV per share by 0.32%. This equates to 14.4% of the issued share capital at the start of the year. Growth in assets along with the Company's tiered management fee has contributed to the reduction in the Company's ongoing charges for the year.

Unlisted Investments

The Managers have shareholder authority to invest up to 15% of the Company's total assets, at the time of initial investment, in unlisted investments. As at the Company's year end, the portfolio weighting in private companies stood at 10.8% of total assets, invested in twelve companies (2020 – 5.8% of total assets in nine companies). Six new private company investments were made during the year: Relativity Space, a 3D printing and aerospace launch company, QuantumScape which has now listed, Astranis Space Technologies, a geostationary communications satellite operator and manufacturer, Shine Technologies (Illuminated Holdings), producer of medical radioscopes, Snyk, a software security developer, and Lightning Labs, a money transfer software developer.

At the Company's Annual General Meeting ('AGM') held on 23 January 2019, shareholders approved an increase in the permissible limit of investment in unlisted investments from 5% to 15% of total assets at the time of initial investment. As part of the 2 February 2022 AGM business, the Board is seeking shareholder approval to increase this authority to 25% as the Board and Managers are of the view that private companies are becoming an increasingly relevant part of the Company's objective; to invest in a global portfolio of initially immature entrepreneurial companies, typically with a market capitalisation of less than US$5 billion at the time of initial investment, which are believed to offer long-term growth potential.

Accelerating improvements in technology are reducing the capital and time needed for young businesses to both experiment with and scale their product offerings. For many new entrepreneurs this is delaying the need for a public fundraising or resulting in some really exceptional companies entering the stock market when they are larger and more mature, and the rising availability of private capital is serving to compound this shift. In 2006, 18 private companies globally had valuations of over US$500 million with an aggregate value of US$18 billion. As of the end of 2020 there were 923 companies with valuations of over US$500 million, and an aggregate value of US$2.2 trillion. This makes this market approximately the same size as the S&P MidCap 400 index. As at 31 October 2021, Baillie Gifford had £4 billion invested in 73 private companies across 14 countries.

Given the potential for this to be an increasingly valuable source of investment ideas for Edinburgh Worldwide and Baillie Gifford's growing capability to deploy capital here, the Board would like the Managers to have flexibility to invest a greater portion of the Company's assets in private companies as suitable opportunities arise. This would allow better scope for long term asymmetry to play out within existing private holdings without limiting the Managers' ability to invest opportunistically in new ideas in the future. The number of private holdings is expected to continue increasing gradually whilst several more businesses will also undertake public listings in the fullness of time, as has been the case to date with, for example, Oxford Nanopore, QuantumScape and Spire Global this year.

Over the last seven years, Edinburgh Worldwide has invested in eighteen private companies and the weighting has risen from 0% to a little under 11% of the Company's assets as at 31 October 2021. Depending on the outcome of the shareholder vote, and in due course reflecting on future investor sentiment at the time towards private companies and the investable opportunity set, and the performance being generated from such holdings, the Board will keep the matter of the weighting to unlisted investments under review.

Borrowings

The extent and range of equity gearing is discussed by the Board and Managers at each Board meeting. Both parties agree that the Company should typically be geared to equities to maximise potential returns, with the current aspirational parameters set at +5% to +15% of shareholders' funds. Over the year, the invested equity gearing ranged between -2.7% and +2.6%, and stood at +2.5% of shareholders' funds at the financial year end (2020 – +0.9%).

During the period, the Company entered into a new five year £100 million multi-currency revolving credit facility, with The Royal Bank of Scotland International Limited, with an expiry date of 9 June 2026. This facility is in addition to the existing five year £25 million multi-currency revolving credit facility, with National Australia Bank Limited, with an expiry date of 29 June 2023 and the five year £36 million multi-currency revolving credit facility, with National Australia Bank Limited, with an expiry date of 30 September 2024. As at 31 October 2021, the Company had drawings of €7,200,000, US$53,150,000 and £21,300,000.

Earnings and Dividend

The Company's objective is that of generating capital growth and investors should not expect any income from this investment. This year the net revenue return per share was a negative 0.62p (2020 – negative 0.46p per share). As the revenue account is running at a deficit, no final dividend is being recommended by the Board. Should the level of underlying income increase in future years, the Board will seek to distribute to shareholders the minimum permissible to maintain investment trust status by way of a final dividend.

Board Composition and Ceiling on Aggregate Remuneration

During the course of the year, Mr William Ducas retired from the Board. I would like to place on record my and the Board's thanks for his contribution to Company discussions and his pragmatic advice and guidance. There are no changes expected in Board composition over the coming year although Mr Donald Cameron has highlighted to colleagues that he is unlikely to stand for re-election at the Company's 2023 AGM.

The current aggregate remuneration ceiling for Directors' fees is set at £200,000 per annum. Based on the level of aggregate remuneration expected to be paid for the financial year ending 31 October 2022 (£182,500 – being £40,500 for the Chairman, £27,000 for each Director, an additional £6,000 for the Chairman of the Audit and Management Engagement Committee and an additional £1,000 for the Senior Independent Director), should the Board wish to appoint a new Director the aggregate fees would likely exceed the current authorised limit. Accordingly, it is proposed that, pursuant to Resolution 14, as set out in the Notice of Annual General Meeting, the maximum permissible aggregate amount of fees payable to the Directors be increased to £250,000 per annum in aggregate.

Investment Outlook

Markets continued to rise notably until the tail end of the first quarter of 2021 and subsequently declined due in part to concerns regarding future inflation and dislocated supply, largely as a result of Covid-19 and the measures put in place to curb its impact on businesses. More recently, market sentiment has been pushed and pulled by attempts at 'normality' against a backdrop of new virus variants and a Chinese regulatory clampdown. However, there are now signs that markets are becoming more fundamentals-led rather than momentum driven.

As mentioned in the past, your portfolio managers continue to direct their efforts to picking the best entrepreneurial, immature growth companies that create and exploit investment opportunities, and which exhibit excellent long-term growth prospects and the potential for positive long term returns wherever they are listed and whatever the macro backdrop. Whilst markets exhibit volatility, the investment trust structure permits the portfolio managers and discerning long-term investors to take positions in exciting, dynamic and innovative companies for the long term.

An overview of the portfolio is provided on pages 13 to 15.

Annual General Meeting

As part of the Company's AGM business, the Company is seeking to update its Articles of Association, details of which can be found on page 71. The principal proposed change regards the ability to hold hybrid AGMs, permitting, in extremis circumstances such as those resulting from Covid-19, shareholders to attend by electronic means as well as in person. It is however intended that future meetings be physical unless restrictions prohibiting this are in force at the time.

It is anticipated that the Company's next AGM will be held in person and be held at Baillie Gifford's offices in Edinburgh at 12 noon on Wednesday 2 February 2022. The Managers will be presenting and I and the Board look to see as many of you there as possible.

Should the situation change, further information will be made available through the Company's website at **edinburghworldwide.co.uk** and the London Stock Exchange regulatory news service. Further information, including the proposed resolutions and information on the deadlines for submitting votes by proxy should you not be able to attend, can be found on pages 68 to 70. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy and there are also special arrangements for holders of shares through the abrdn Investment Trusts Share Plan, Individual Savings Account and Investment Plan for Children who are provided with a Form of Direction. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to submit votes in advance of the Annual General Meeting.

Henry CT Strutt
Chairman
9 December 2021

One Year Summary*

The following information illustrates how Edinburgh Worldwide has performed over the year to 31 October 2021.

	31 October 2021	31 October 2020	% change
Total assets (before deduction of loans)	£1,407.5m	£1,040.5m	
Loans	£66.2m	£48.7m	
Shareholders' funds	£1,341.4m	£991.7m	
Net asset value per ordinary share (after deducting borrowings at book value)	331.03p	279.90p	18.3
Share price	319.50p	287.50p	11.1
S&P Global Small Cap Index total return (in sterling terms)†			35.9
Dividends paid and proposed per ordinary share	Nil	Nil	
Revenue loss per ordinary share	(0.62p)	(0.46p)	34.8
Ongoing charges#	0.66%	0.72%	
(Discount)/premium (borrowings at book value)#	(3.5%)	2.7%	
Active share#	99%	98%	

Year to 31 October	2021	2021	2020	2020
Year's high and low	**High**	**Low**	**High**	**Low**
Share price	423.00p	287.50p	310.00p	132.00p
Net asset value (after deducting borrowings at book value)	409.88p	279.90p	305.17p	155.07p
Premium/(discount) (borrowings at book value)#	5.8%	(9.4%)	10.5%	(20.1%)

	31 October 2021	31 October 2020
Net return per ordinary share		
Revenue	(0.62p)	(0.46p)
Capital	43.37p	100.89p
Total	**42.75p**	**100.43p**

Performance since broadening of investment policy	31 October 2021	31 January 2014 ‡	% change capital	% change total return
93 months from 31 January 2014				
Net asset value per ordinary share (after deducting borrowings at fair value)#	331.03p	87.34p	279.0	280.7
Net asset value per ordinary share (after deducting borrowings at book value)	331.03p	87.43p	278.6	280.3
Share price	319.50p	81.00p	294.4	296.4
Comparative Index (in sterling terms)†¶			115.8	149.9

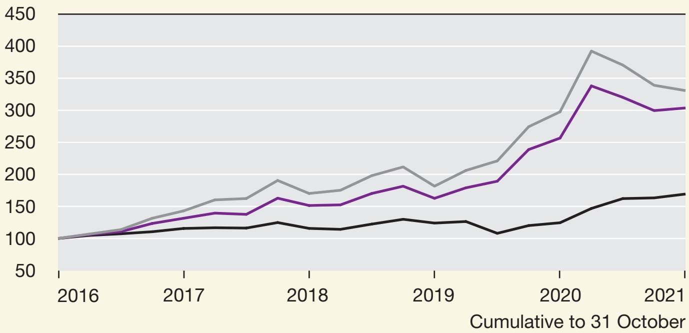
*For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.
†Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 75.
#Alternative performance measure, see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.
‡All per share figures have been restated for the five for one share split on 28 January 2019.
¶S&P Global Small Cap Index total return (in sterling terms).
Past performance is not a guide to future performance.

Five Year Summary*

The following charts indicate how Edinburgh Worldwide has performed relative to its comparative index† and the relationship between share price and net asset value over the five year period to 31 October 2021.

Five Year Total Return Performance

(figures rebased to 100 at 31 October 2016)



Source: Refinitiv and relevant underlying index providers#

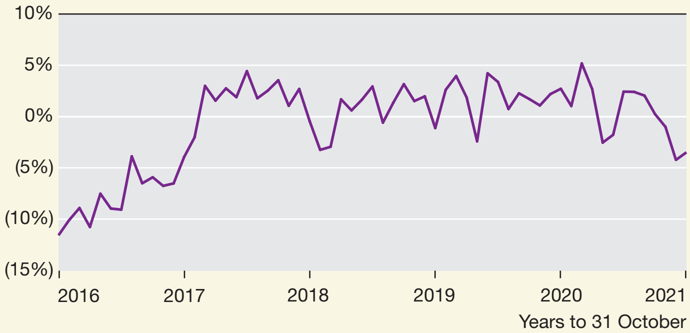
Share price total return

NAV (after deducting borrowings at fair value) total return

Comparative index†

(Discount)/Premium to Net Asset Value

(plotted on a monthly basis)

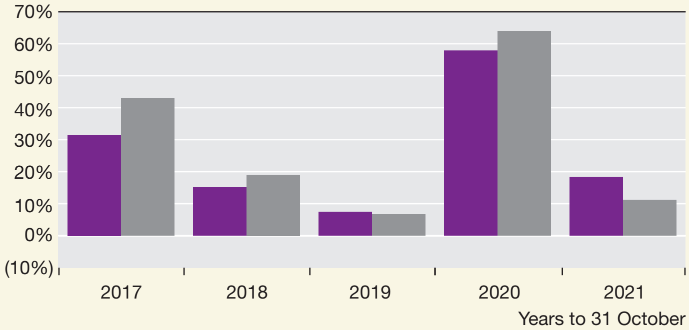


Source: Refinitiv/Baillie Gifford

Edinburgh Worldwide (discount)/premium

The (discount)/premium is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (after deducting borrowings at fair value).

Annual Net Asset Value and Share Price Total Returns

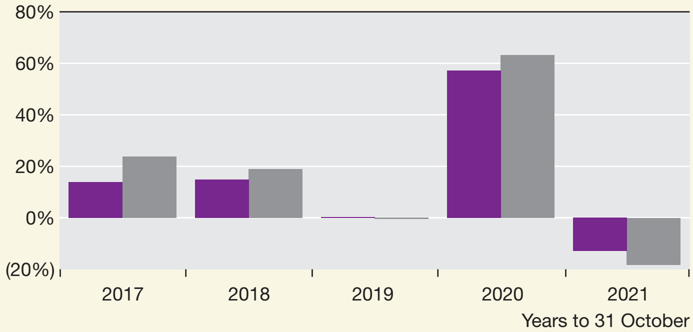


Source: Refinitiv

NAV (after deducting borrowings at fair value) total return

Share price total return

Relative Annual Net Asset Value and Share Price Total Returns (relative to the benchmark total return)



Source: Refinitiv and relevant underlying index providers#

NAV (after deducting borrowings at fair value) total return relative to the comparative index†

Share price total return relative to the comparative index†

* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

† The comparative index is the S&P Global Small Cap Index total return (in sterling terms).

See disclaimer on page 75.

Past performance is not a guide to future performance.

Ten Year Record*

Capital

At 31 October	Total assets † £'000	Borrowings £'000	Shareholders' funds £'000	Net asset value per share (fair) # p	Net asset value per share (book) # p	Share price p	Premium/(discount) (fair) ‡ %	Premium/(discount) (book) ‡ %
2011	179,621	(29,981)	149,640	60.85	61.07	52.80	(13.2)	(13.5)
2012	186,209	(29,318)	156,891	63.79	64.03	56.10	(12.0)	(12.4)
2013	241,969	(29,823)	212,146	86.46	86.58	81.00	(6.3)	(6.4)
2014	237,224	(30,862)	206,362	84.12	84.22	77.00	(8.5)	(8.6)
2015	258,155	(30,799)	227,356	92.55	92.79	87.60	(5.3)	(5.6)
2016	305,520	(36,908)	268,612	109.23	109.63	96.60	(11.6)	(11.9)
2017	387,863	(35,024)	352,839	143.78	144.00	138.10	(3.9)	(4.1)
2018	521,102	(48,628)	472,474	165.14	165.16	164.40	(0.5)	(0.5)
2019	585,314	(48,596)	536,718	177.37	177.37	175.40	(1.1)	(1.1)
2020	1,040,462	(48,728)	991,734	279.90	279.90	287.50	2.7	2.7
2021	**1,407,508**	**(66,153)**	**1,341,355**	**331.03**	**331.03**	**319.50**	**(3.5)**	**(3.5)**

† Total assets comprise all assets held less all liabilities other than liabilities in the form of borrowings.

Net asset value per ordinary share has been calculated after deducting long term borrowings at either book value or fair value (see note 17, page 67 and Glossary of Terms and Alternative Performance Measures on pages 76 and 77).

‡ Premium/(discount) is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (deducting borrowings at either book or fair value) expressed as a percentage of net asset value. See Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

Revenue

Gearing Ratios

Year to 31 October	Income £'000	Net return after tax £'000	Revenue earnings per ordinary share p	Dividend paid and proposed per ordinary share (net) p	Ongoing charges ¶ %	Gearing ^ %	Potential gearing ** %
2011	2,412	1,231	0.50	0.40	1.02	14	20
2012	2,414	1,225	0.50	0.40	1.02	17	19
2013	1,987	823	0.34	0.40	0.99	8	14
2014	1,186	68	0.03	0.40	0.92	10	15
2015	1,106	(90)	(0.04)	Nil	0.93	10	14
2016	1,178	(61)	(0.02)	Nil	0.92	9	14
2017	1,268	149	0.06	Nil	0.87	9	10
2018	1,270	(497)	(0.19)	Nil	0.81	5	10
2019	1,229	(684)	(0.23)	Nil	0.75	7	9
2020	773	(1,479)	(0.46)	Nil	0.72	1	5
2021	**827**	**(2,422)**	**(0.62)**	**Nil**	**0.66**	**2**	**5**

¶ Total operating costs divided by average net asset value (with debt at fair value). Figures prior to 2012 have not been recalculated as the change in methodology is not considered to result in a materially different figure. See Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

^ Borrowings less cash and cash equivalents expressed as a percentage of shareholder's funds. See Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

** Borrowings expressed as a percentage of shareholders' funds. See Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

Cumulative Performance (taking 2011 as 100)

At 31 October	Net asset value per share (at fair)	Net asset value total return (at fair) ^^	Comparative index ‡‡	Comparative index total return ^^	Share price	Share price total return ^^	Retail price index
2011	100	100	100	100	100	100	100
2012	105	106	106	109	106	107	103
2013	142	144	129	136	153	156	106
2014	138	141	136	140	146	149	108
2015	152	155	134	148	166	170	109
2016	180	183	173	195	183	187	111
2017	236	241	197	225	262	268	116
2018	271	277	193	225	311	319	120
2019	291	298	203	241	332	340	122
2020	460	469	200	242	545	557	124
2021	**544**	**555**	**268**	**329**	**605**	**619**	**131**
Compound annual returns							
5 year	24.8%	24.8%	9.1%	11.1%	27.0%	27.0%	3.3%
10 year	18.5%	18.7%	10.3%	12.7%	19.7%	20.0%	2.7%

^^ Source: Refinitiv and relevant underlying index providers. See disclaimer on page 75. ‡‡ MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

All per share figures have been restated for the five for one share split on 28 January 2019. Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

Edinburgh Worldwide Investment Trust plc ('the Company') is a public company limited by shares and incorporated in Scotland. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund for the purposes of the UK Alternative Investment Fund Managers Regulations.

Objective and Policy

The Company's current investment objective and policy is set out below.

Edinburgh Worldwide's investment objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

While the policy is global investment, the approach adopted is to construct a portfolio through the identification of individual companies which offer long term growth potential, normally over at least a five year horizon and which typically have a market capitalisation of less than US$5 billion at the time of initial investment. The portfolio is actively managed and does not seek to track the comparative index hence a degree of volatility against the index is inevitable.

In constructing the equity portfolio a spread of risk is achieved by diversifying the portfolio through investment in:

— 75 to 125 holdings;

— a minimum of 6 countries; and

— a minimum of 15 industries.

On acquisition, no holding shall exceed 5% of total assets and no more than 15% of the Company's total assets will be invested in other listed investment companies. No more than 10% of the Company's total assets will be invested in other pooled vehicles, such as open ended funds.

Unlisted investments may be held. On acquisition of any unlisted investment, the Company's aggregate holding in unlisted investments shall not exceed 15% of total assets. From time to time, fixed interest holdings or non equity investments, may be held on an opportunistic basis.

Derivative instruments are not normally used but, in certain circumstances and with the prior approval of the Board, their use may be considered either as a hedge or to exploit an investment opportunity.

The Company recognises the long term advantages of gearing and would seek to have a maximum gearing level of 30% of shareholders' funds in the absence of exceptional market conditions.

Borrowings are invested when it is considered that investment grounds merit the Company taking a geared position. Gearing levels, and the extent of gearing, are discussed by the Board and Managers at every Board Meeting.

Amendments to the Investment Objective and Policy

Currently, the Company's investment policy permits investments not listed on a public market up to 15% of the Company's total assets at the time of initial investment. The Managers are seeing more unlisted/private company opportunities and the Board is of the view that it would be appropriate to increase this limit at this point. The Board is therefore proposing that the Company amends its investment policy to stipulate that the maximum amount which may be invested in companies not listed on a public market shall not exceed 25% of the total assets of the Company, measured at the time of purchase. The Company is also proposing a clarification on the typical number of investments in the portfolio, from 'holdings' to 'companies', in order to accommodate situations where different lines of stock are acquired in a single company.

Proposed Investment Objective and Policy

The Company's proposed investment objective and policy is set out below.

Edinburgh Worldwide's investment objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

While the policy is global investment, the approach adopted is to construct a portfolio through the identification of individual companies which offer long term growth potential, normally over at least a five year horizon and which typically have a market capitalisation of less than US$5 billion at the time of initial investment. The portfolio is actively managed and does not seek to track the comparative index hence a degree of volatility against the index is inevitable.

In constructing the equity portfolio a spread of risk is achieved by diversifying the portfolio through investment in:

— 75 to 125 companies;

— a minimum of 6 countries; and

— a minimum of 15 industries.

On acquisition, no holding shall exceed 5% of total assets and no more than 15% of the Company's total assets will be invested in other listed investment companies. No more than 10% of the Company's total assets will be invested in other pooled vehicles, such as open ended funds.

Unlisted investments may be held. On acquisition of any unlisted investment, the Company's aggregate holding in unlisted investments shall not exceed 25% of total assets. From time to time, fixed interest holdings or non equity investments, may be held on an opportunistic basis.

Derivative instruments are not normally used but, in certain circumstances and with the prior approval of the Board, their use may be considered either as a hedge or to exploit an investment opportunity.

The Company recognises the long term advantages of gearing and would seek to have a maximum gearing level of 30% of shareholders' funds in the absence of exceptional market conditions.

Borrowings are invested when it is considered that investment grounds merit the Company taking a geared position. Gearing levels, and the extent of gearing, are discussed by the Board and Managers at every Board Meeting.

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key Performance Indicators

The key performance indicators ('KPIs') used to measure the progress and performance of the Company over time are established industry measures and are as follows:

— the movement in net asset value per ordinary share (after deducting borrowings at fair value);

— the movement in the share price;

— the movement of the net asset value and share price compared to the comparative index;

— the premium/discount of the share price to the net asset value per share; and

— the ongoing charges.

An explanation of these measures can be found in the Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

The one, five and ten year records of the KPIs are shown on pages 5, 6 and 7, respectively.

Borrowings

During the period the Company entered into a new five year £100 million multi-currency revolving credit facility with The Royal Bank of Scotland International Limited with an expiry date of 9 June 2026. This facility is in addition to the existing five year £25 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023 and the existing five year £36 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024. At 31 October 2021 the drawings were £21,300,000, US$53,150,000 and €7,200,000 under the £100 million multi-currency revolving credit facility. There were no drawings under the £25 million or £36 million multi-currency revolving credit facilities. At 31 October 2020 the drawings were €1,410,900, US$18,545,250 and £9,185,037 under the £25 million multi-currency revolving credit facility and €1,410,900, US$18,545,250 and £8,314,963 under the £36 million multi-currency revolving credit facility (see note 10 on page 59 for the sterling equivalent at each year end).

Principal and Emerging Risks

As explained on page 33 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no significant changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below.

The Board considers the ongoing coronavirus (Covid-19) pandemic and the impact of Brexit to be factors which exacerbate existing risks, rather than discrete risks, within the context of an investment trust. Their impact is considered within the relevant risks.

Financial Risk – the Company's assets consist mainly of listed securities and its principal and emerging financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 17 to the Financial Statements on pages 61 to 67. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 pandemic. As oversight of this risk, the Board considers at each meeting various metrics including the composition and diversification of the portfolio by geographies, sectors and capitalisation along with sales and purchases of investments. Individual investments are discussed with the portfolio managers together with their general views on the various investment markets and sectors. A strategy meeting is held annually. The Board has considered the potential impact on sterling following the UK's departure from the European Union and subsequent trade agreement. The value of the Company's investment portfolio would be affected by any impact, positively or negatively, on sterling but would be partially offset by the effect of exchange movements on the Company's US$ and € denominated borrowings.

Investment Strategy Risk – pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value. To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register and raises any matters of concern with the Managers.

Discount Risk – the discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company. The Board monitors the level of discount/ premium at which the shares trade and the Company has authority to buy back its existing shares or issue shares (including authority to sell shares held in treasury), when deemed by the Board to be in the best interests of the Company and its shareholders.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the FCA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit and Management Engagement Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes, and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

Custody and Depositary Risk – safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security. To monitor potential risk, the Audit and Management Engagement Committee receives six monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated unlisted portfolio holdings to confirmations from investee companies. In addition, the existence of assets is subject to annual external audit and the Custodian's audited internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns investigated.

Small Company Risk – the Company has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions. To mitigate this risk, the Board reviews the investment portfolio at each meeting and discusses the merits and characteristics of individual investments with the Managers. A spread of risk is achieved by holding stocks classified across at least fifteen industries and six countries.

Private Company (Unlisted) Investments – the Company's risk is increased by its investment in private company securities. These assets may be more difficult to buy or sell, so changes in their prices may be greater than for listed investments. To mitigate this risk, the Board considers the private company securities in the context of the overall investment strategy and provides guidance to the Managers on the maximum exposure to unlisted investments.

Operational Risk – failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption (including any disruption resulting from the Covid-19 pandemic) or major disaster. Baillie Gifford has continued to operate on a business as usual basis throughout the Covid-19 pandemic. Following the relaxation of Covid-19 restrictions by the Scottish and UK governments, Baillie Gifford has continued to see a gradual increase in office attendance. A hybrid model is now operating, with staff determining the most appropriate split between working from home and working in the office. The Audit and Management Engagement Committee reviews Baillie Gifford's Report on Internal Controls and the reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

Leverage Risk – the Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the impact of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. Details of the Company's current borrowing facilities and drawings can be found in note 10 on page 59. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found in note 19 on page 67 and the Glossary of Terms and Alternative Performance Measures on pages 76 and 77.

Political and Associated Economic Risk – the Board is of the view that political change in areas in which the Company invests or may invest may have practical consequences for the Company. Political developments are closely monitored and considered by the Board. Following the departure of the UK from the European Union, and the subsequent trade agreement between the UK and European Union, the Board continues to assess the potential consequences for the Company's future activities. The Board believes that the Company's global portfolio, with only a moderate exposure to the United Kingdom, positions the Company to be suitably insulated from Brexit-related risk.

Emerging Risks – as explained on page 33 the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from two areas: from the global reach of the investment portfolio and its exposure to external and emerging threats such as cyber risk and coronavirus. This is mitigated by the Investment Manager's close links to the investee companies and their ability to ask questions on contingency plans. The Investment Manager believes the impact of such events may be to slow growth rather than to invalidate the investment rationale; and as investors place increased emphasis on Environmental, Social and Governance issues (ESG), any failure by the Investment Manager to identify potential future problems on ESG matters in an investee company could lead to the Company's shares being less attractive to investors as well as potential valuation issues in the underlying investee company. This is mitigated by the Investment Manager's strong ESG policies, which have been adopted by the Company, and which are fully integrated into the investment process as well as the extensive up-front and ongoing due diligence which the Investment Manager undertakes on each investee company. These include the risks inherent in climate change (see page 34).

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, that the Directors assess the prospects of the Company over a defined period, the Directors have elected to do so over a period of five years. The Directors continue to believe this period to be appropriate as it is reflective of the longer term investment strategy of the Company, and to be a period during which, in the absence of any adverse change to the regulatory environment and to the favourable tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal risks facing the Company nor to the adequacy of the mitigating controls in place. Furthermore, the Directors do not reasonably envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the Company's principal and emerging risks and uncertainties as detailed on pages 9 and 10 and in particular the impact of market risk where a significant fall in the global equity markets would adversely impact the value of the Company's investment portfolio. The Directors have also considered the Company's leverage and liquidity in the context of the unsecured multi-currency revolving credit facilities which are due to expire in June 2023, September 2024 and June 2026, the income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted equity securities which can be sold to meet funding requirements if necessary. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of further market deterioration resulting from the Covid-19 pandemic. The stress testing did not indicate any matters of concern. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, this allows key service providers to be replaced at relatively short notice where necessary.

The Board continues to monitor the economic impact of the UK's departure from the European Union and can see no scenario that it believes would affect the going concern status or viability of the Company.

Based on the Company's processes for monitoring operating costs, share price discount/premium, the Managers' compliance with the investment objective, asset allocation, the portfolio risk profile, leverage, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years as a minimum.

Promoting the Success of the Company (Section 172 Statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters and to the extent applicable) to:

(a) the likely consequences of any decision in the long term;

(b) the interests of the company's employees;

(c) the need to foster the company's business relationships with suppliers, customers and others;

(d) the impact of the company's operations on the community and the environment;

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

(f) the need to act fairly as between members of the company.

In this context, having regard to Edinburgh Worldwide being an externally managed investment company with no employees, the Board considers the Company's key stakeholders to be: its existing and potential shareholders; its externally-appointed Manager (Baillie Gifford); other professional service providers (corporate broker, registrar, auditor and depositary); lenders; wider society and the environment where applicable.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements. The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

The Board places great importance on communication with shareholders. The Annual General Meeting provides the key forum for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. The Chairman is available to meet with shareholders as appropriate independently of the Managers. The Managers communicate regularly with current and potential shareholders and their representatives, reporting their views back to the Board. Directors can also attend investor presentations, in order to gauge sentiment first hand. Investors may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all stakeholders over the long term. The Board of Edinburgh Worldwide Investment Trust plc (Edinburgh Worldwide) recognises the public health risk associated with the Covid-19 outbreak arising from public gatherings and notes the continuing measures restricting such gatherings, travel and attendances at workplaces. At the same time, the Board is conscious of the legal requirement for

Edinburgh Worldwide to hold its AGM before the end of April 2022. Given the current uncertainty around when public health concerns will have abated, the Board has for the time being decided to aim to follow the Company's corporate timetable and, accordingly, the Company's AGM is being convened to take place at 12 noon on Wednesday, 2 February 2022 at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. At present, the Board expects to be able to welcome shareholders to the meeting. The Board will, however, continue to monitor developments and any changes will be advised to shareholders and details will be updated on the Company's website at edinburghworldwide.co.uk and the London Stock Exchange regulatory news service.

The Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

Whilst the Company's operations are limited, as third-party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders and that consideration of ESG factors sits naturally with the Managers' longstanding aim of providing a sustainable basis for adding value for shareholders.

The Board recognises the importance of keeping the interests of the Company and its stakeholders, in aggregate, and of acting fairly between them, firmly front of mind in its key decision making. The Company Secretaries are at all times available to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which required the Directors to have regard to applicable Section 172 factors included:

- the raising of over £182 million from new share issuance, at a premium to net asset value, in order to satisfy investor demand over the year, which also serves the interests of current shareholders by reducing costs per share and helping to further improve liquidity; and
- arranging a five year £100 million multi-currency revolving credit facility from The Royal Bank of Scotland International Limited for the purpose of maintaining the relative gearing level of the Company which the Board believes will enhance long term returns to shareholders.

Employees, Human Rights and Community Issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues.

Gender Representation

The Board comprises six Directors, four male and two female. The Company has no employees. The Board's policy on diversity is set out on page 32.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 34.

The Company considers that it does not fall within the scope of the Modern Slavery Act 2015 ('the Act') and it is not, therefore, obliged to make a slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at bailliegifford.com.

Managers' Review

What We Seek to Offer

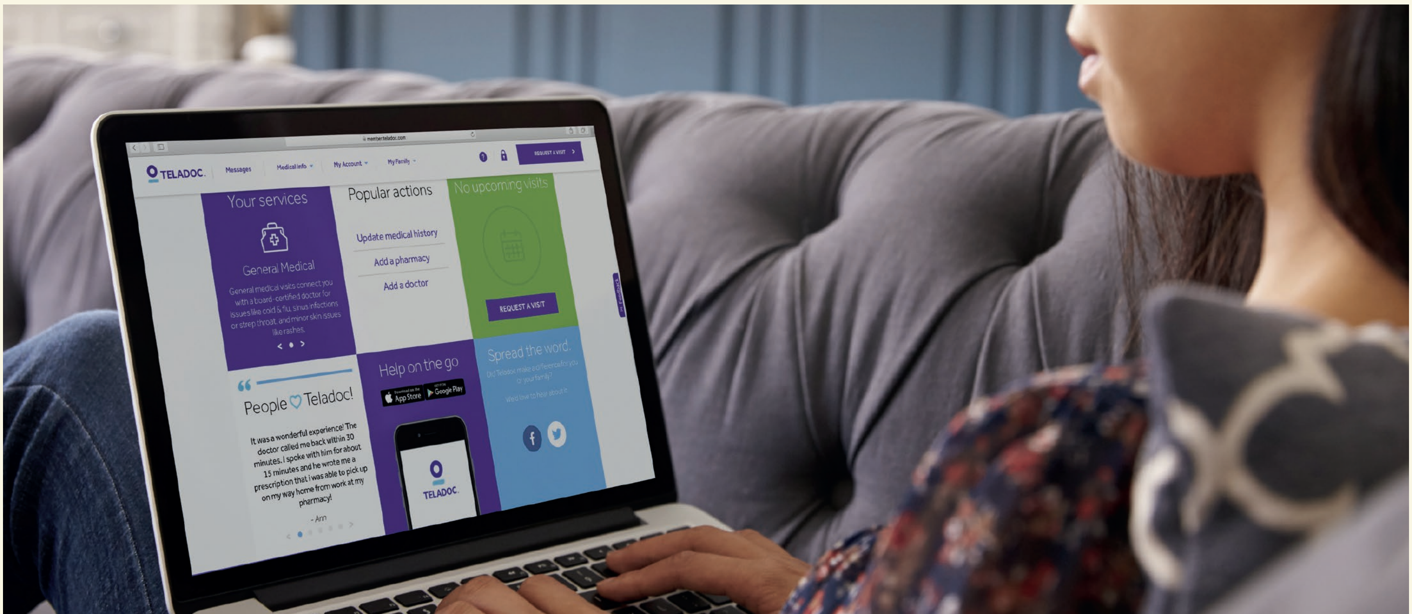
Edinburgh Worldwide Investment Trust's philosophy is one where we seek ambitious, problem-solving companies with what we believe to be excellent long-term growth potential. By identifying attractive growth companies earlier, we seek to benefit during the most dynamic phase of a company's lifecycle and retain ownership of successful companies as they grow and thrive. It's an approach that requires patience, a long-term mindset and recognition that progress in young companies rarely happens in a straight line. The solutions that our holdings are working towards are not designed to be transient or modestly incremental. Should they succeed the likelihood is that they will embed themselves as key drivers of their respective industries in the years that follow.

Our style of investing is one in which many of our ideas will ultimately fail to live up to our lofty aspirations for them. Rather than fret about this we view it as an inevitable outcome of our bias towards immature companies with long-term potential. Occasionally, that failure can be abrupt, with clear implications for the viability of the business and the capital invested. For others, it will be much less spectacular: a solid business emerges with acceptable returns for investors but with nagging frustration that the outcomes could have been much better. But some companies (and it's the minority) will both surprise and delight: their initial traction in opening new avenues for growth will likely make our original hypothesis look rather feeble. This wide range of outcomes is evident in the asymmetry of returns chart shown in the Chairman's Statement.

It's from this extreme dispersion of outcomes that we actively desire long-term returns to be moulded. Sorting the deep winners from the losers and the also-rans takes both time and patience. The differentiating factors that drive that outcome will most likely be formed within the individual companies themselves, refined further by their operating environment and lastly polished through the actions of their shareholders. Attempting to take the readout on that experiment at anything less than five years will probably not tell you very much. It's for this reason that we view the NAV performance in the year ended 31 October 2021 as more an observation. It's effectively a snapshot that probably conveys more about the prevailing narrative within stock markets than a useful barometer on how our approach is faring. With Edinburgh Worldwide's NAV having risen by 203% over the five years ended 31 October 2021 (versus the 69% rise in the comparative index*) we think the evidence leans towards our philosophy having long-term merit.

Implicit in the dispersion of winners versus losers discussed above is the direct link between a company's progress and the magnitude of the investment returns that it can generate. A company's operational success will translate ultimately into cashflow, the present value of which investors can use to judge a company's intrinsic value. But the notion of a company's cashflow (or its more relatable cousin, profits) is not an abstract one that resides in a CFO's or investment analyst's spreadsheet. It's the output of a myriad of interactions and decisions involving the company and its surroundings. *How* those cashflows are produced and *how* they impact a wider group of stakeholders, society and the environment, will also be crucial determinants of not only their size, but their long-term durability and permissibility. Consequently, the notion of sustainability, in all its guises, is something we believe to be deeply ingrained in bona fide long-term growth investing.

In Edinburgh Worldwide, we think our remit and philosophy enable us to go a step further. We have long found that the most interesting companies are invariably those that position themselves on the frontiers of socio-economic change, rather than shy away from it. They are the ones that address the most pressing questions, seek to tackle the largest problems and build solutions that seek to drive the world forward. For such companies, sustainability is not just the *how* they go about operating, it's also the *why*: *why* they exist, *why* society should care and *why*, ultimately, they might be an outstanding investment opportunity.



Teladoc – Healthcare at home

* S&P Global Small Cap Index (in sterling terms). Source: Refinitiv and relevant underlying index providers. See disclaimer on page 75.

We think our focus on companies pursuing durable long-term progress, improving outcomes and reducing both costs and frictions across a range of diverse areas, means that the portfolio is well-positioned to participate in the change that will follow. Moreover, through provision of primary capital to private companies we think that role can become more active.

Huya gaming event

Observations and Portfolio Update

The past year has seen stock markets wrestle with a world trying to get back to normal and the oscillations from optimism to fear seem even more pronounced than usual. Second and third order effects related to the pandemic will likely persist but predicting these with conviction is difficult and can arguably be a distraction from our core task (although we are mindful of the opportunities they may create in markets prone to overreaction). In the near-term, we expect that supply-demand imbalances will persist, behaviours of consumers and businesses will be hard to predict and the overall level of uncertainty will remain elevated. Against such a backdrop we expect the narrative and typical time horizon in equity markets to remain skewed to a 'here and now' mindset.

The second and third quarter reporting periods have been atypical in that companies were annualising the immediate impact of the pandemic. For some companies this presents as a recovery-type boost but for several of our companies, especially those that were natural beneficiaries of the pandemic (e.g. Telemedicine providers or ecommerce businesses) this period has been one where the comparator has been tough. As previously discussed, we are more intrigued by how the fortunes of such businesses have been transformed on a multi-year, perhaps even a multi-decade basis. Annualising an extreme base effect often excites stock markets but it tends to tell you very little of relevance to the real long-term progress of a business.

For companies such as Teladoc, the stock market's questioning relates to a modest near-term membership growth opportunity. Yet we think the evidence of the company going much deeper with existing members is much more reflective of the value being built. Likewise, with Ocado the shrinking basket size and limited near-term growth could be expected from a business that was running at well above optimal capacity a year ago. Much more relevant in our minds is the increasingly delighted noises emerging from its grocery partners as they go live with their Ocado-enabled facilities.

A notable area of weakness in the portfolio has been our Chinese stocks. Referring to our holdings by geographic location always feels rather odd to us but is probably justified in this context, given the challenges that have emerged. We prefer to simplify the debate on China investing to two key axes. The first axis is a geopolitical one. The roots here extend well beyond the recent months but the 'who lists where and why' and 'where do companies keep sensitive customer data' arguments don't feel like they will be resolved imminently. The second axis is arguably a bit easier for investors to have a considered view on, namely domestic Chinese companies where the accrued power and influence have begun to sit at odds with the more holistic, openly socialist approach of the governing party. Certain sectors have been singled out for intervention, most obviously those involved in aspects of lending, education and gaming. For some of our holdings such as Huya and Agora this has created headwinds, even if the impact on these businesses is much more indirect than direct.

In actively looking for companies that are innovating and trying to move the world forward we believe we are concentrating on an opportunity set whose own actions will be the greatest determinant of their own success or failure. As observers along frontiers of innovation in a wide range of industries and applications, we continue to be excited by the opportunities that abound. Consequently, we feel that the current portfolio and investment approach is as relevant as it's ever been. We think this is well illustrated by the eleven new purchases we reported on in the Interim Report to the end of April 2021 and is reinforced by the further five names (two listed businesses and three private) we purchased over the subsequent six months. We introduce these below:

— **ITM Power** is a UK company which designs and manufactures PEM electrolysers (proton exchange membrane). Electrolysers are devices that produce hydrogen gas using electricity and water as inputs (with oxygen gas as a side-product). The hydrogen gas can then be used as chemical feedstock or it can be consumed in a fuel cell to yield back energy and water. With the declining cost of renewable energy and mounting imperative across society and industry of net zero targets, we see the prospect of the much-heralded hydrogen economy being transformed over the coming decades. Green electrolyser-derived hydrogen is likely to be the most viable route for many heavy emitting industries to decarbonise. While batteries are a practical energy store in many applications, when the energy storage requirement is long term and the utilisation conditions are more demanding, the benefits of hydrogen come to the fore. ITM is among the major electrolyser producers that cater to this opportunity. It focuses uniquely on the more differentiated PEM type electrolysers and has the largest PEM manufacturing capacity.

ITM Power – hydrogen fuel

© ITM Power.

- **Shine Technologies** (Illuminated Holdings) is a private nuclear technology company, with an initial focus on the production of medical radioisotopes for diagnostic and therapeutic procedures. The company's approach offers several advantages here, being cleaner, safer and more affordable to operate than legacy infrastructure. It also addresses a growing gap between the supply and demand for these important products within healthcare systems around the world. Longer term, Shine has a path to leverage this technology and operating experience into larger and more transformational opportunities around nuclear waste recycling and the production of clean fusion energy.
- **Snyk** is a private IT security company focused on the growing opportunity in application development. It offers a toolkit for software developers that allows them to detect vulnerabilities and fix bugs themselves, embedding security functions at an early stage and significantly improving the pace at which the software can be signed off and released for use. We think such tools will become increasingly standard in the software application development cycle as Snyk has the synergistic advantage of appealing to both the developer community and those tasked to maintain the robustness of a company's overall IT operations. As more code is tested against, and modified by, Snyk's toolkit we think the company will be well positioned to create a valuable data advantage that will become increasingly hard for others to replicate.
- **Angelalign** is China's leading domestic provider of invisible orthodontic products. The clear aligners market in China is relatively small but growing rapidly, underpinned by secular drivers like greater awareness of dental care and aesthetics associated with increasing disposable incomes. Angelalign effectively democratises access to such orthodontic treatments by empowering all dental professionals, not just the limited number of orthodontic specialists. We are encouraged by its success so far and with the founding management team still in place, we believe it can become the dominant player in this rapidly expanding market.
- **Lightning Labs** is a private San Francisco-based company which was founded to drive the adoption of, and to commercialise, the Bitcoin Lightning Network, an open source project which operates as a second layer built on top of Bitcoin. The Lightning Network substantially improves Bitcoin's utility by enabling scalable, instantaneous and nearly free payments. The software designed and maintained by Lightning Labs is quickly gaining traction among developers seeking to build Lightning applications. It has the potential to establish itself as the go-to codebase not only for payment applications but for incipient higher-level protocols for programmatically routing any data/value over the Lightning Network. It does this instantly, privately and at exceptionally low cost. While early, we are intrigued by the potential for Lightning Labs to become a key infrastructure provider in the emerging Bitcoin ecosystem.

We sold the position in Cloudera following a takeover offer from private equity. We also exited the holding in Yext. Our original investment hypothesis was that Yext was well-placed to carve out a highly differentiated position in the increasingly important area of corporate knowledge management. The product roadmap since has diverged from what we perceive to be Yext's core skillset and competitive strength.

Investment Philosophy

Most small businesses are destined to stay small given their limited scope for both structural growth and meaningful differentiation. Such businesses constitute the bulk of the smaller companies' universe yet are of no appeal to us. However, what is intriguing about the smaller companies' universe is that it contains a subset of immature but potentially high growth companies. By identifying attractive growth companies earlier we seek to benefit from growth at an earlier stage in a company's lifecycle and retain ownership of successful companies as they grow and thrive; we see our role as investing in what are potentially the larger companies of the future as opposed to the smaller companies of today.

We are looking to concentrate on the part of the market where we believe our analytical effort and the pursuit of genuinely transformational growth can be better exploited. The focus at time of initial investment is on younger, more immature companies that are global and exhibiting strong growth.

It is important to remember that big successful ideas typically start out as small, tentative and unproven. Early iterations are easy to dismiss as unworkable but experimentation with, and evolution of, an initially raw concept can, over time, yield huge commercial relevance. Our philosophy involves weighing up what is proven and tangible alongside what has promise and long term potential. Integral to this approach is recognising the role of innovation in business development; it provides the fuel for business creation, growth and long term competitive differentiation. Consequently, identifying companies that value innovation, having both a cultural acceptance of it and a means to develop commercial opportunities around it, is fundamental to our investment approach.

Growth companies, especially those which are young and hard to model, are difficult businesses to value. The wide range of potential outcomes and profitability that is heavily skewed to future years is a combination of uncertainties that many investors struggle with. We do not have all the answers but by approaching the challenge with a genuine long term perspective, accepting a degree of uncertainty, backing robust innovation and entrepreneurial management, we believe we are well positioned to identify the smaller businesses most likely to shape the world in which we live. As technological advancements encroach into an increasing pool of opportunity, the rate and extent of growth that a small business can achieve, in a relatively short period of time, is almost unrecognisable to that of a few years ago. Innovative smaller businesses that are unburdened by the legacy of historic business practices, or those willing to adapt to change, are best positioned to harness this opportunity.

Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

Baillie Gifford's over-arching ethos is that we are 'actual' investors. We have a responsibility to behave as supportive and constructively engaged long-term investors. We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

Our Stewardship Principles

Prioritisation of Long-Term Value Creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others do not.

A Constructive and Purposeful Board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-Term Focused Remuneration with Stretching Targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair Treatment of Stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable Business Practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

Twenty Largest Holdings and Twelve Month Performance at 31 October 2021

Name	Business	Country	Fair value 2021 £'000	% of total assets *	Absolute † performance %	Relative † performance %
Tesla	Electric vehicles, autonomous driving and solar energy	USA	85,450	6.1	171.4	99.6
Zillow#	US online real estate portal	USA	51,095	3.6	10.5	(18.7)
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	USA	46,706	3.3	22.6	(9.8)
Ocado	Online grocery retailer and technology provider	UK	45,747	3.3	(20.8)	(41.7)
Upwork	Online freelancing and recruitment services platform	USA	41,225	2.9	141.3	77.5
STAAR Surgical	Ophthalmic implants for vision correction	USA	39,236	2.8	54.0	13.3
Space Exploration Technologies#ⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	38,016	2.6	73.4 ‡	27.6 ‡
Codexis	Industrial and pharmaceutical enzyme developer	USA	33,953	2.4	145.7	80.8
PsiQuantum#ⓤ	Developer of commercial quantum computing	USA	33,757	2.4	266.1 ‡	169.3 ‡
MarketAxess	Electronic bond trading platform	USA	33,339	2.4	(28.1)	(47.1)
Teladoc	Telemedicine services provider	USA	32,447	2.3	(28.2)	(47.2)
Novocure	Manufacturer of medical devices for cancer treatment	USA	27,476	2.0	(20.8)	(41.7)
Chegg	Online educational company	USA	26,259	1.9	(23.7)	(43.8)
BlackLine	Enterprise financial software provider	USA	25,922	1.8	22.6	(9.8)
Oxford Nanopore Technologies#ⓟ	Novel DNA sequencing technology	UK	25,910	1.8	113.5	57.1
Kingdee International Software	Enterprise management software provider	China	24,591	1.7	19.0	(12.4)
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	23,525	1.7	19.8	(11.9)
Ceres Power Holding	Developer of fuel cells	UK	23,497	1.7	79.5	32.0
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	21,537	1.5	36.9	0.7
Appian	Enterprise software developer	USA	20,944	1.5	48.1	9.0
			700,632	**49.7**		

* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2020 to 31 October 2021. Absolute performance is in sterling terms; relative performance is against S&P Global Small Cap Index (in sterling terms).

More than one line of stock held. Holding information represents the aggregate of both lines of stock.

‡ Figures relate to part-period returns where security has been purchased or added to during the period.

ⓤ Denotes unlisted security.

ⓟ Denotes listed security previously held in the portfolio as an unlisted security.

Source: Baillie Gifford/StatPro and relevant underlying index providers. See disclaimer on page 75.

Past performance is not a guide to future performance.

List of Investments as at 31 October 2021

Name	Business	Country	Fair value 2021 £'000	% of total assets	Fair value 2020 £'000
Tesla	Electric vehicles, autonomous driving and solar energy	USA	85,450	6.1	51,332
Zillow Class C	US online real estate portal	USA	44,097	3.1	33,235
Zillow Class A	US online real estate portal	USA	6,998	0.5	6,272
			51,095	3.6	39,507
Alnylam Pharmaceuticals	Drug developer focussed on harnessing gene silencing technology	USA	46,706	3.3	32,238
Ocado	Online grocery retailer and technology provider	UK	45,747	3.3	49,460
Upwork	Online freelancing and recruitment services platform	USA	41,225	2.9	12,250
STAAR Surgical	Ophthalmic implants for vision correction	USA	39,236	2.8	21,787
Space Exploration Technologies Series N Preferredⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	21,788	1.5	12,374
Space Exploration Technologies Series J Preferredⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	9,884	0.7	5,613
Space Exploration Technologies Series K Preferredⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	4,506	0.3	2,559
Space Exploration Technologies Class A Commonⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	1,405	0.1	–
Space Exploration Technologies Class C Commonⓤ	Designs, manufactures and launches advanced rockets and spacecraft	USA	433	0.0	–
			38,016	2.6	20,546
Codexis	Industrial and pharmaceutical enzyme developer	USA	33,953	2.4	11,961
PsiQuantum Series C Preferredⓤ	Developer of commercial quantum computing	USA	20,626	1.5	3,867
PsiQuantum Series D Preferredⓤ	Developer of commercial quantum computing	USA	13,131	0.9	–
			33,757	2.4	3,867
MarketAxess	Electronic bond trading platform	USA	33,339	2.4	46,703
Teladoc	Telemedicine services provider	USA	32,447	2.3	26,308
Novocure	Manufacturer of medical devices for cancer treatment	USA	27,476	2.0	28,789
Chegg	Online educational company	USA	26,259	1.9	32,964
BlackLine	Enterprise financial software provider	USA	25,922	1.8	19,058
Oxford Nanopore Technologies	Novel DNA sequencing technology	UK	1,132	0.1	11,276
Oxford Nanopore Technologiesⓟ	Novel DNA sequencing technology	UK	24,778	1.7	–
			25,910	1.8	11,276
Kingdee International Software	Enterprise management software provider	China	24,591	1.7	17,622
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	23,525	1.7	16,207
Ceres Power Holding	Developer of fuel cells	UK	23,497	1.7	11,924
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	21,537	1.5	15,729
Appian	Enterprise software developer	USA	20,944	1.5	14,160
QuantumScapeⓟ	Solid-state batteries for electric vehicles	USA	19,255	1.4	–
Sprout Social	Cloud based software for social media management	USA	18,599	1.3	–
Genmab	Antibody based drug development	Denmark	18,001	1.3	12,691
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	17,900	1.3	14,746
PureTech Health	IP commercialisation focused on healthcare	UK	17,701	1.2	12,951
Axon Enterprise	Law enforcement equipment and software provider	USA	17,351	1.2	7,810
Everbridge	Critical event management software provider	USA	17,253	1.2	12,019
Wayfair	Online furniture and homeware retailer	USA	15,783	1.1	16,691
CyberArk Software	Cyber security solutions provider	Israel	15,115	1.1	8,827
Tandem Diabetes Care	Manufacturer of insulin pumps for diabetic patients	USA	14,746	1.0	12,508
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	14,318	1.0	13,022

Name	Business	Country	Fair value 2021 £'000	% of total assets	Fair value 2020 £'000
ITM Power	Hydrogen energy solutions manufacturer	UK	13,811	1.0	–
Trupanion	Pet health insurance provider	USA	13,790	1.0	10,236
LendingTree	Online consumer finance marketplace	USA	13,786	1.0	25,321
ShockWave Medical	Medical devices manufacturer	USA	13,366	1.0	4,538
Ambarella	Video compression and image processing semiconductors	USA	13,232	0.9	4,129
Genus	Livestock breeding and technology services	UK	12,842	0.9	9,517
Zuora	Enterprise sales management software	USA	12,451	0.9	1,823
Akili Interactive Labs Series C Preferredⓤ	Digital medicine company	USA	3,615	0.3	4,600
Akili Interactive Labs Series D Preferredⓤ	Digital medicine company	USA	8,754	0.6	–
			12,369	0.9	4,600
Pacira BioSciences	Opioid free analgesics developer	USA	12,235	0.9	10,510
Adaptimmune Therapeutics ADR	Cell therapies for cancer treatment	UK	12,135	0.9	8,494
M3	Online medical database	Japan	12,017	0.9	14,556
Cardlytics	Digital advertising platform	USA	11,770	0.8	–
LiveRamp	Marketing technology company	USA	11,523	0.8	13,392
MonotaRO	Online business supplies	Japan	11,489	0.8	14,932
Relativity Space Series D Preferredⓤ	3D printing and aerospace launch company	USA	7,812	0.5	–
Relativity Space Series E Preferredⓤ	3D printing and aerospace launch company	USA	3,648	0.3	–
			11,460	0.8	–
Sutro Biopharma	Biotechnology company focused on next generation protein therapeutics	USA	11,041	0.8	6,462
InfoMart	Online platform for restaurant supplies	Japan	11,039	0.8	9,936
IPG Photonics	High-power fibre lasers	USA	10,473	0.8	10,613
American Superconductor	Designs and manufactures power systems and superconducting wire	USA	10,292	0.7	6,071
Temenos Group	Banking software provider	Switzerland	10,210	0.7	7,594
JFrog	Software development tools and management	Israel	9,860	0.7	–
Astranis Space Technologies Series C Preferredⓤ	Communication satellite manufacturing and operation	USA	9,329	0.7	–
LivePerson	Messaging tools for business and customer interactions	USA	9,315	0.7	10,247
Splunk	Data diagnostics	USA	8,884	0.6	11,316
Shine Technologies (Illuminated Holdings) Series C-5 Preferredⓤ	Medical radioisotope production	USA	8,754	0.6	–
Epic Gamesⓤ	Video game platform and software developer	USA	7,911	0.6	6,187
iRobot	Consumer robotics and connected devices	USA	7,809	0.6	7,896
Quanterix	Ultra-sensitive protein analysers	USA	7,742	0.6	–
Snyk Ordinary Sharesⓤ	Security software	UK	2,736	0.2	–
Snyk Series F Preferredⓤ	Security software	UK	4,560	0.4	–
			7,296	0.6	–
Lightning Labs Series B Preferredⓤ	Lightning software that enables users to send and receive money	USA	7,295	0.5	–
Renishaw	Measurement and calibration equipment	UK	7,055	0.5	7,863
Q2 Holdings	Cloud based virtual banking solutions provider	USA	6,997	0.5	8,625

Name	Business	Country	Fair value 2021 £'000	% of total assets	Fair value 2020 £'000
Graphcore Series D2 Preferred[u]	Specialised processor chips for machine learning applications	UK	5,244	0.4	4,247
Graphcore Series E Preferred[u]	Specialised processor chips for machine learning applications	UK	1,672	0.1	–
			6,916	0.5	4,247
freee K.K.	Cloud based accounting software for small and medium-sized enterprises	Japan	6,833	0.5	–
Avacta Group	Affinity based diagnostic reagents and therapeutics	UK	6,642	0.5	9,218
IP Group	Intellectual property commercialisation	UK	6,601	0.4	4,324
Sensirion Holding	Manufacturer of gas and flow sensors	Switzerland	5,939	0.4	2,400
SEEK	Online recruitment portal	Australia	5,846	0.4	3,812
Reaction Engines[u]	Advanced heat exchange company	UK	5,750	0.4	5,750
Digimarc	Digital watermarking technology provider	USA	5,693	0.4	3,791
Ilika	Discovery and development of novel materials for mass market applications	UK	5,379	0.4	3,348
Galapagos	Clinical stage biotechnology company focussing on autoimmune and fibrosis diseases	Belgium	5,187	0.4	8,806
Oxford Instruments	Advanced instrumentation and equipment provider	UK	5,144	0.4	3,526
Rightmove	UK online property portal	UK	4,771	0.3	4,263
Tabula Rasa HealthCare	Cloud-based healthcare software developer	USA	4,711	0.3	3,686
Berkeley Lights	Biotechnology tools focused on cell characterisation	USA	4,186	0.3	7,274
Nanobiotix ADR	Nanomedicine company focused on cancer radiotherapy	France	4,066	0.3	–
Agora ADR	Voice and video platform technology provider	China	4,056	0.3	4,987
BASE	Commerce platform for small and medium-sized enterprises	Japan	3,951	0.3	–
Huya ADR	A live game streaming platform	China	3,725	0.3	5,036
Baozun SPN ADR	Chinese e-commerce solution provider	China	3,712	0.3	8,314
Spire Global[P]	Satellite powered data collection and analysis company	USA	3,570	0.3	2,403
Morphosys	Antibody based drug discovery platform	Germany	3,451	0.2	5,866
PeptiDream	Peptide based drug discovery platform	Japan	3,377	0.2	6,843
Stratasys	3D printer manufacturer	USA	3,327	0.2	1,429
Victrex	High-performance thermo-plastics	UK	2,909	0.2	2,345
KSQ Therapeutics Series C Preferred[u]	Biotechnology target identification company	USA	2,744	0.2	1,925
CEVA	Licenses IP to the semiconductor industry	USA	2,743	0.2	2,573
ASOS	Online fashion retailer	UK	2,532	0.2	4,494
EverQuote	Online marketplace for buying insurance	USA	2,329	0.2	4,853
C4X Discovery Holdings	Rational drug design and optimisation	UK	2,178	0.2	510
C4X Discovery Warrants	Software to aid drug design	UK	37	0.0	–
			2,215	0.2	510
NuCana SPN ADR	Next generation chemotherapy developer	UK	2,178	0.1	4,523
Cellectis	Genetic engineering for cell based therapies	France	1,915	0.1	2,966
AxoGen	Regenerative medicine and nerve repair company	USA	1,880	0.1	1,645
New Horizon Health	Cancer screening company	China	1,870	0.1	–
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	Italy	1,846	0.1	2,084
Benefitfocus	Employee benefits software provider	USA	1,810	0.1	1,807
Catapult Group International	Analytics and data collection technology for sports teams and athletes	Australia	1,752	0.1	1,638

Name	Business	Country	Fair value 2021 £'000	% of total assets	Fair value 2020 £'000
Rubius Therapeutics	Developer of novel therapies using engineered red blood cells	USA	1,596	0.1	505
4D Pharma	Microbiome biology therapeutics	UK	1,105	0.1	1,971
4D Pharma Warrants	Microbiome biology therapeutics	UK	0	0.0	35
			1,105	0.1	2,006
Uxin ADR	Online Chinese used car marketplace	China	984	0.1	420
Chinook Therapeutics (formerly Aduro Biotechnology)	Immunotherapy drug development	USA	917	0.1	1,117
Chinook Therapeutics (formerly Aduro Biotechnology) CVR Line	Immunotherapy drug development	USA	0	0.0	–
			917	0.1	1,117
Kaleido Biosciences	Microbiome chemistry therapeutics	USA	898	0.1	913
Summit Therapeutics	Developer of novel antibiotics	USA	835	0.1	479
Unity Biotechnology(P)	Biotechnology company seeking to develop anti ageing therapies	USA	595	0.0	1,018
Ricardo	Engineering services provider	UK	577	0.0	483
Adicet Bio (formerly resTORbio)	Biotechnology company focused on age related disorders	USA	553	0.0	728
Adicet Bio (formerly resTORbio) CVR Line	Biotechnology company focussed on age related disorders	USA	0	0.0	–
			553	0.0	728
Angelalign Technology	Medical devices manufacturer	China	261	0.0	–
Tissue Regenix	Regenerative medicine technology provider	UK	104	0.0	66
Xeros Technology Group	Polymer technology company with laundry and textile applications	UK	76	0.0	93
VYNE Therapeutics (formerly Menlo Therapeutics)	Biopharmaceutical company focused in the dermatology space	USA	49	0.0	248
Velocys	Gas to liquid technology	UK	27	0.0	19
Ensogo(D)	South East Asian e-commerce	Australia	0	0.0	0
China Lumena New Materials(S)	Mines, processes and manufactures natural thenardite products	China	0	0.0	0
Total equities			**1,376,365**	**97.8**	
Net liquid assets			**31,143**	**2.2**	
Total assets at fair value*			**1,407,508**	**100.0**	

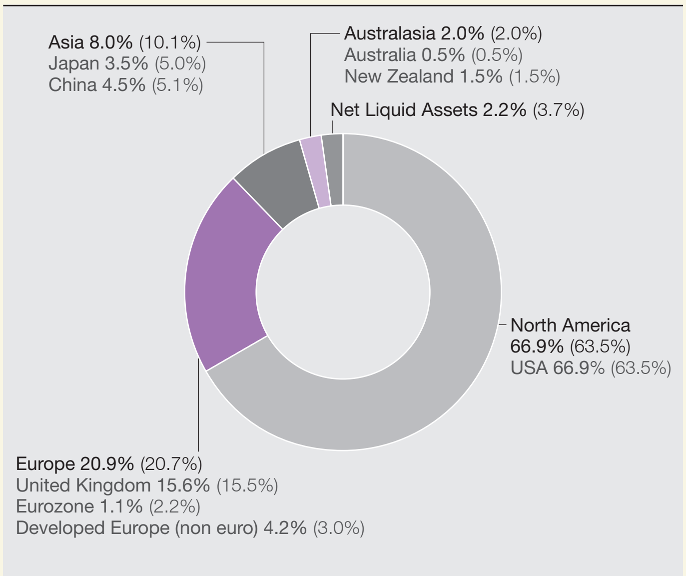
* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.
(U) Denotes unlisted security.
(P) Denotes listed security previously held in the portfolio as an unlisted security.
(D) Denotes delisting security.
(S) Denotes suspended security.

	Listed equities %	Unlisted securities † %	Net liquid assets %	Total assets %
31 October 2021	**87.0**	**10.8**	**2.2**	**100.0**
31 October 2020	90.5	5.8	3.7	100.0

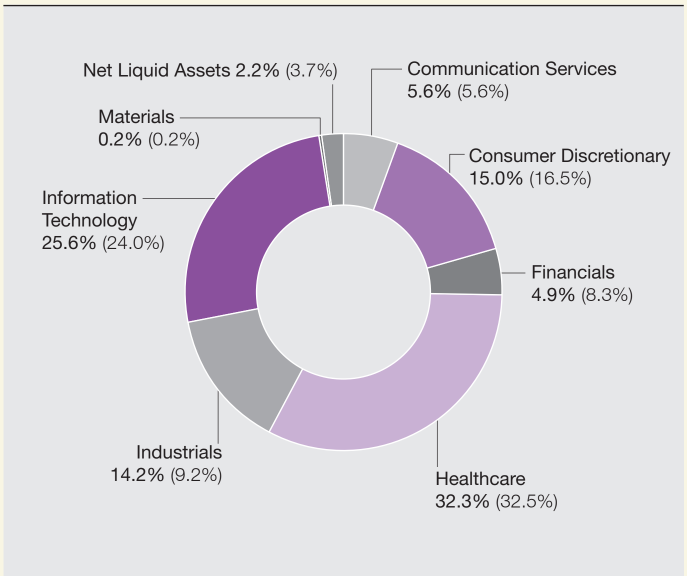
Figures represent percentage of total assets.
† Includes holdings in preference shares, ordinary shares and convertible promissory note.

Distribution of Total Assets

Geographical 2021 (2020)



Sectoral 2021 (2020)



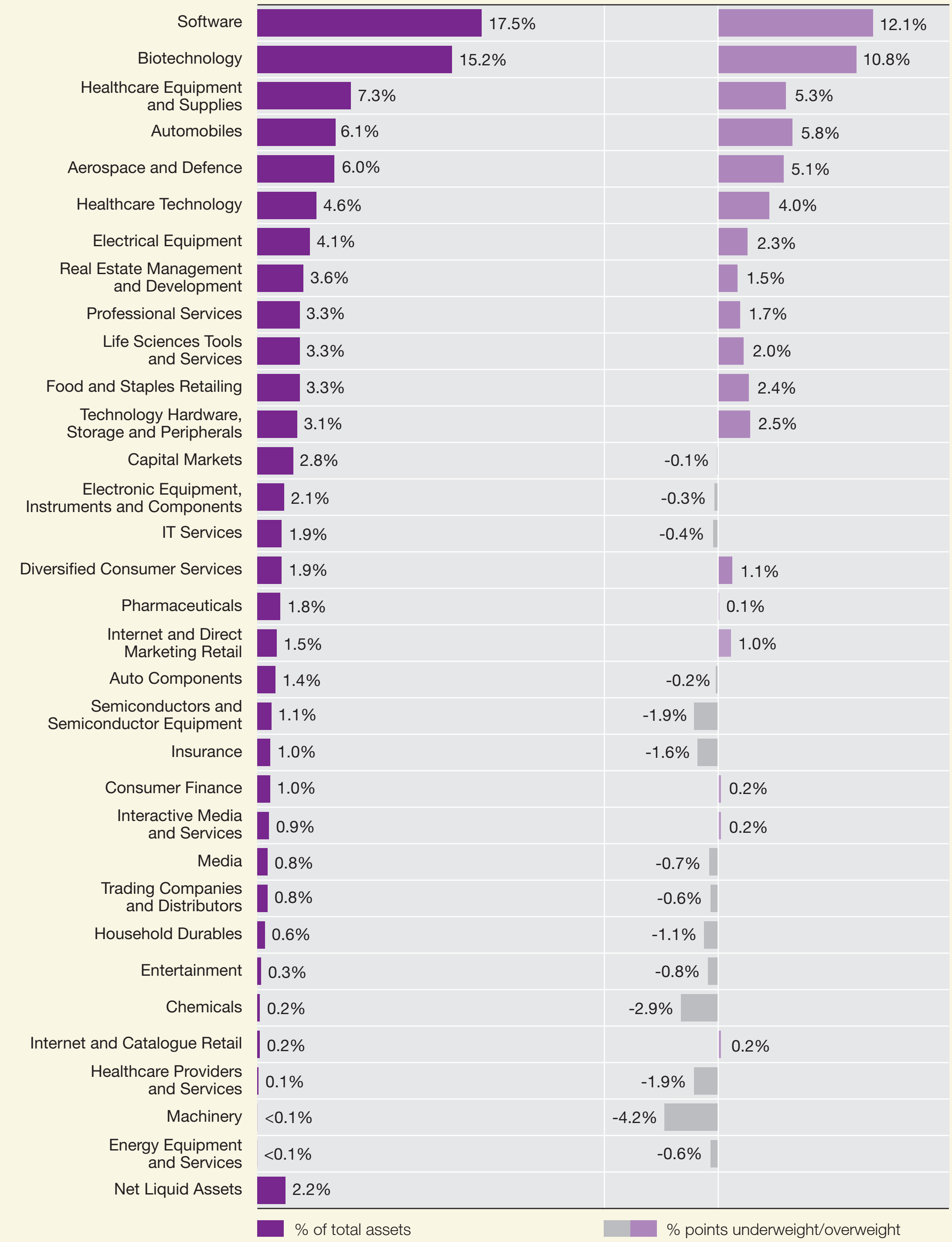
Investment Changes

	Valuation at 31 October 2020 £'000	Net acquisitions/ (disposals) £'000	Gains/ (losses) £'000	Valuation at 31 October 2021 £'000
North America				
USA	661,223	105,748	174,319	941,290
Europe				
United Kingdom	161,610	34,871	22,439	218,920
Eurozone	22,885	3,642	(10,062)	16,465
Developed Europe (non euro)	31,512	17,521	10,092	59,125
Asia				
Japan	51,201	14,198	(16,693)	48,706
China	52,584	19,904	(9,764)	62,724
Australasia				
Australia	5,450	(36)	2,184	7,598
New Zealand	15,729	–	5,808	21,537
Total investments	**1,002,194**	**195,848**	**178,323**	**1,376,365**
Net liquid assets	38,268	(3,886)	(3,239)	31,143
Total assets	**1,040,462**	**191,962**	**175,084**	**1,407,508**

The figures above for total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

Distribution of Total Assets* by Industry

At 31 October 2021 **Industry Analysis** **Portfolio Weightings**
(relative to comparative index†)



* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.
† S&P Global Small Cap Index (in sterling terms). Weightings exclude industries where the Company has no exposure. See disclaimer on page 75.

The Strategic Report which includes pages 2 to 24 was approved by the Board on 9 December 2021.

Henry CT Strutt
Chairman

Directors and Management

Members of the Board come from a broad variety of backgrounds. The Board can draw on a very extensive pool of knowledge and experience.

Directors

Henry Strutt was appointed a Director on 1 November 2011 and appointed Chairman on 24 January 2017. He qualified as a chartered accountant in 1979, following which he spent over twenty years with the Robert Fleming Group, seventeen of which were in the Far East. He is a non-executive director of New Waves Solutions Limited.

Helen James was appointed a Director on 2 December 2010 and is the Senior Independent Director. She is the former CEO of Investis, a leading digital corporate communications company. She was also previously Head of Pan-European Equity Sales at Paribas. She is the group chief operating officer of Brunswick Group.

Donald Cameron was appointed a Director on 2 December 2010 and is Chairman of the Audit and Management Engagement Committee. He is an advocate at the Scottish Bar (non-practising) and is also a qualified barrister in England and Wales. He was elected a Member of the Scottish Parliament in 2016. He is a non-executive director of Murray Income Trust PLC.

Caroline Roxburgh was appointed a Director on 1 February 2020. She is a qualified Chartered Accountant and was a partner at PricewaterhouseCoopers LLP until 2016. She is a non-executive director and chair of the audit committee of Montanaro European Smaller Companies Trust plc, a non-executive director and chair of the audit and risk committee of Edinburgh International Festival Society, a non-executive director of the Royal Conservatoire of Scotland and a publicly appointed member of the board of directors and chair of the audit and risk committee of VisitScotland.

Jonathan Simpson-Dent was appointed a Director on 1 February 2020. He has spent the majority of his career running entrepreneurial Private Equity and listed mid-cap international growth businesses across multiple sectors, being a former CEO of Evander Group, Cardpoint and WLT (EMEA), CCO of Cardtronics Inc and CFO of HomeServe Plc and General Healthcare Group. He has also previously worked at PricewaterhouseCoopers LLP, McKinsey & Company and PepsiCo. He is the Chair of Bromford Housing Group Ltd and a Fellow of the Institute of Chartered Accountants.

Mungo Wilson was appointed a Director on 8 December 2016. He is a former solicitor and is Associate Professor of Finance at Saïd Business School, University of Oxford. He is also an associate member of the Oxford Man Institute of Quantitative Finance.

All the Directors are members of the Audit and Management Engagement Committee and the Nomination Committee.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages twelve investment trusts. Baillie Gifford also manages a listed investment company and open ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled over £330 billion at 31 October 2021. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 47 partners and a staff of around 1,500.

Douglas Brodie is the portfolio manager. He joined Baillie Gifford in 2001 and is Head of the Global Discovery Team, which focuses on the opportunities of smaller companies. Svetlana Viteva and Luke Ward are the deputy portfolio managers. Both joined Baillie Gifford in 2012 and work closely with Douglas Brodie as part of Baillie Gifford's Global Discovery investment desk, from which Edinburgh Worldwide is managed.

Baillie Gifford & Co Limited and Baillie Gifford & Co are both authorised and regulated by the Financial Conduct Authority.

Directors' Report

The Directors present their Report together with the Financial Statements of the Company for the year to 31 October 2021.

Corporate Governance

The Corporate Governance Report is set out on pages 31 to 34 and forms part of this Report.

Managers and Company Secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Investment Management Agreement between the AIFM and the Company sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than three months' notice. Compensation fees would only be payable in respect of the notice period if termination by the Company were to occur within a shorter notice period.

With effect from 1 January 2019 the annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Prior to 1 January 2019 the fee was 0.95% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance.

The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted by the Audit and Management Engagement Committee annually. The Committee considered the following topics amongst others in its review:

- investment process;
- investment performance;
- the quality of the personnel assigned to handle the Company's affairs;
- developments at the Managers, including staff turnover;
- the administrative services provided by the Secretaries;
- share price and discount; and
- charges and fees.

Following the most recent review the Audit and Management Engagement Committee concluded that the continuing appointment of Baillie Gifford & Co Limited as AIFM and Secretaries, the delegation of the investment management services to Baillie Gifford & Co and the further sub-delegation of dealing activity and transaction reporting to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited, on the terms agreed, is in the interests of the Company and the shareholders as a whole. This was subsequently approved by the Board.

Depositary

In accordance with the Alternative Investment Fund Managers Directive, the AIFM must appoint a Depositary to the Company. The Bank of New York Mellon (International) Limited has been appointed as the Company's Depository.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The custody function is also undertaken by The Bank of New York Mellon (International) Limited ('the Custodian').

Directors

Information about the Directors who were in office during the year and up to the date the Financial Statements were signed including their relevant experience can be found on pages 25 and 26.

In accordance with the AIC Code of Corporate Governance issued in February 2019, the Board has agreed that all Directors will offer themselves for re-election by shareholders on an annual basis. As a result, all Directors, will retire at this year's Annual General Meeting and will offer themselves for re-election.

Following formal performance evaluation, this year facilitated by external consultants, the Board concluded that the performance of each of the Directors continues to be effective and that they remain committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders.

The Board also considers that Mr HCT Strutt, Mr DAJ Cameron and Ms H James all remain independent having served on the Board for more than nine years, as explained on page 31.

Director Indemnification and Insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 31 October 2021 and up to the date of approval of this Report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company maintains Directors' and Officers' liability insurance.

Conflicts of Interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year.

Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Dividends

The Company's objective is that of generating capital growth. Consequently, the Managers do not invest in companies based on the level of income they may payout as dividends.

As highlighted previously, the Board does not intend to draw on the Company's revenue reserve to pay or maintain dividends. This year the net revenue return per share was a deficit of £2,422,000. There is no requirement under section 1158 of the Corporation Tax Act 2010 to pay a dividend as the net revenue return is below the level which would trigger the requirement to pay a dividend hence the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Share Capital

Capital Structure

The Company's capital structure as at 31 October 2021 consists of 405,203,695 ordinary shares of 1p each (2020 – 354,318,695 ordinary shares of 1p each), see note 11. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Following a five for one share split on 28 January 2019, each ordinary share of 5p was replaced with five new ordinary shares of 1p each.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas any proposed final dividend is subject to shareholder approval.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Major Interests Disclosed in the Company's Shares

There are no major interests disclosed in the Company's shares as at 31 October 2021 and there have been no disclosed changes to the major interests in the Company's shares intimated up to 8 December 2021.

Annual General Meeting

As a consequence of Covid-19 and the uncertainty regarding government policy on group meetings, shareholders are being encouraged to submit their votes by proxy ahead of the meeting. It is intended that the meeting will be open to all shareholders, but in the event that access has to be restricted to the minimum number of people necessary for it to be quorate, this will ensure your votes are counted. The details of this year's AGM, including the proposed resolutions and information on the deadlines for proxy appointments, can be found on pages 68 to 71. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy and there are also special arrangements for holders of shares through the abrdn Investment Trusts Share Plan, Individual Savings Account and Investment Plan for Children who are provided with a Form of Direction. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to vote at the AGM. The resolutions relating to the renewal of the Directors' authorities to issue and buy back shares, new Articles and update to the Investment Policy are explained in more detail below.

Issuance of Shares

At the last Annual General Meeting, the Directors were granted shareholders' approval for a general authority to issue shares, up to £1,201,756.69, being approximately 33% of the nominal value of the Company's issued ordinary share capital as at 8 December 2020, and also an authority to issue shares or sell shares held in treasury for cash on a non pre-emptive basis, up to £364,168.69, representing approximately 10% of the nominal value of the issued share capital of the Company as at 8 December 2020 (without first offering such shares to existing shareholders pro-rata to their existing holdings).

During the year to 31 October 2021 the Company has issued a total of 50,885,000 shares on a non pre-emptive basis (nominal value of £509,000, representing 14.4% of the issued share capital at 31 October 2020) at a premium to net asset value (on the basis of debt valued at book value) on 81 separate occasions at a weighted average price of 358.81p per share raising net proceeds of £182,227,000.

Between 1 November 2021 and 8 December 2021 the Company issued a further 300,000 shares at a premium to net asset value raising net proceeds of £949,000.

In order to ensure that it continues to have sufficient capacity to satisfy demand for the Company's shares, the Directors are proposing to seek shareholders' approval to renew the Company's annual allotment and disapplication of pre-emption right authorities for a further year, as detailed below.

Resolution 11 in the Notice of Annual General Meeting therefore seeks a general authority for the Directors to issue ordinary shares up to an aggregate nominal amount of £1,338,162.19 in addition to the Company's existing authority. This amount represents approximately 33% of the Company's total ordinary share capital in issue at 8 December 2021, being the latest practicable date prior to the publication of this document, and meets institutional guidelines. No issue of ordinary shares will be made pursuant to the authorisation in Resolution 11 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 12, which is being proposed as a special resolution, seeks to renew the Directors' authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total nominal amount of £405,503.69, representing approximately 10% of the Company's total issued ordinary share capital as at 8 December 2021, being the latest practicable date prior to publication of this document. This authority would be in addition to the Company's existing authority.

The Directors consider that the authorities proposed to be granted by Resolutions 11 and 12 continue to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand.

The Directors do not intend to use this authority to sell or issue ordinary shares on a non pre-emptive basis at a discount to net asset value. While the level of the authority being sought is greater than the 5% recommended by the Pre-Emption Group in their Statement of Principles on disapplying pre-emption rights, it is specifically recognised in the Statement of Principles that, where an investment trust is seeking authority to issue shares at a premium to the underlying net asset value per share, this should not normally raise concerns and the Directors consider the greater flexibility provided by this authority to be justified in the circumstances.

The authorities sought in Resolutions 11 and 12 will continue until the conclusion of the Annual General Meeting to be held in 2023 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Such authorities will only be used to issue shares or sell shares from treasury at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company to do so. The Directors believe that the ability to buy-back shares at a discount and re-sell them or issue new shares at a premium are useful tools in smoothing supply and demand.

No shares were held in treasury as at 8 December 2021.

Market Purchases of Shares by the Company

At the last Annual General Meeting the Company was granted authority to purchase up to 54,588,887 ordinary shares (equivalent to approximately 14.99% of its issued share capital as at 8 December 2020). This authority expires at the forthcoming Annual General Meeting. No shares were bought back during the year under review and no shares are held in treasury.

Share buy-backs may be made principally:

(i) to enhance net asset value for continuing shareholders by purchasing shares at a discount to the prevailing net asset value; and

(ii) to address any imbalance between the supply of and the demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per share.

The Company may hold bought back shares in treasury and then:

(i) sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or

(ii) cancel the shares (or any of them).

Shares will only be re-sold from treasury at a premium to net asset value per ordinary share.

Treasury shares do not receive distributions and the Company is not entitled to exercise voting rights attaching to them.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 60,785,003 ordinary shares in issue (excluding treasury shares) as at 8 December 2021, being the latest practicable date prior to the publication of this document (or, if less, the number representing approximately 14.99% of the Company's ordinary shares in issue (excluding treasury shares) at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in 2023.

In accordance with the Listing Rules, the maximum price (excluding expenses) that may be paid on the exercise of the authority must not exceed the higher of:

(i) 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003).

The minimum price (exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 13 in the Notice of Annual General Meeting.

Adoption of New Articles of Association

Resolution 14, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the 'New Articles') in order to update the Company's current Articles of Association (the 'Existing Articles'). The proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the Existing Articles were adopted, and principally include:

— provisions enabling the Company to hold wholly virtual shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings);

— amendments in response to the requirements of the Alternative Investment Fund Managers Directive (2011/61/EU);

— changes in response to the introduction of international tax regimes (notably FATCA and the Common Reporting Standard) requiring the exchange of information;

— increasing the cap on the aggregate of all fees paid to Directors from £100,000 per annum to £250,000 per annum (The aggregate annual fees were previously increased from £150,000 to £200,000 as approved by shareholders on 23 January 2019);

— the removal of historic provisions relating to share warrants and stock;

— allowing dividends to be paid out of capital;

— expanding the provisions on uncertificated shares;

— simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements;

— a provision detailing how the Company may purchase its own shares;

— a provision enabling the Directors to postpone a general meeting after notice of the meeting has been sent but before the meeting is held; and

— a provision requiring all Directors to retire at each Annual General Meeting and be eligible for reappointment except any Directors appointed after notice of the meeting has been sent but before the meeting is held.

A summary of the principal amendments being introduced in the New Articles is set out in the appendix to the AGM Notice (on page 71 of this document). Other amendments, which are of a minor, technical or clarifying nature, have not been summarised in the appendix.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for hybrid or virtual-only meetings to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The full terms of the proposed amendments to the Company's articles of association are available at the offices of Dickson Minto W.S., Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excepted), and on the Company's website, edinburghworldwide.co.uk from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Proposed Changes to the Company's Investment Policy

As noted on pages 8 and 9 the Company is proposing to amend its investment objective and policy to stipulate the maximum amount which may be invested in companies not listed on a public market shall not exceed 25 per cent of the total assets of the Company measured at the time of purchase. It is also proposing a clarification of the typical number of investments by amending the term 'holdings' to 'companies'. The proposed amendments are subject to shareholder approval in Resolution 15 in the Notice of the Annual General Meeting.

Recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do where possible in respect of their own beneficial shareholdings.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 17 to the Financial Statements.

Future Developments of the Company

The outlook for the Company for the next 12 months is set out in the Chairman's Statement on pages 2 to 4 and the Managers' Review on pages 13 to 15.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Disclosure of Information to Auditor

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, Ernst & Young LLP, is willing to continue in office and in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning Ernst & Young LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

Post Balance Sheet Events

The Directors confirm that there have been no post Balance Sheet events which require adjustment of, or disclosure in, the Financial Statements or notes thereto up to 9 December 2021.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Report ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company is a low energy user under the SECR regulations and has no energy and carbon information to disclose.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

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

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2021

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code (the 'Code') which can be found at **frc.org.uk** and the principles of the Association of Investment Companies Code of Corporate Governance (the 'AIC Code' issued in 2019) were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at **theaic.co.uk**.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code. The Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. Given that the Company is an externally managed investment trust, the Board considers these provisions are not relevant to the Company (the need for an internal audit function specific to the Company has been addressed on page 35).

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the Code.

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters formally reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. A separate strategy session is held annually. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

The Board comprises six Directors all of whom are non-executive.

The Chairman, Mr HCT Strutt, is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda.

The executive responsibilities for investment management have been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and in the context of a Board comprising entirely non-executive Directors, there is no chief executive officer. Ms H James replaced Mr WJ Ducas as the Senior Independent Director, following his retirement on 30 June 2021.

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 25 and 26.

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense. No such advice was sought in the year to 31 October 2021 or 31 October 2020.

Appointments

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting. In accordance with the principals of the AIC Code all Directors will offer themselves for re-election annually.

The reasons why the Board supports the re-elections are set out on page 27.

Directors are not entitled to any termination payments in relation to their appointment.

Chairman and Directors' Tenure

The Nomination Committee has considered the question of tenure for Directors and has concluded that there should not be a set maximum time limit for a Director or Chairman to serve on the Board. The Nomination Committee keeps under review the balance of skills, knowledge, experience, performance and length of service of the Directors ensuring the Board has the appropriate combination of skills and Company knowledge and experience. This is balanced against the appointment of new Directors having fresh ideas and perspective.

Independence of Directors

All of the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and review the Board composition annually. The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of an investment trust company, where continuity and experience can be a benefit to the Board. The Board concurs with the view expressed in the AIC Code that long serving Directors should not be prevented from being considered independent.

Mr HCT Strutt, Mr DAJ Cameron and Ms H James, have all served on the Board for more than nine years. All Directors offer themselves for re-election annually. Following formal performance evaluation the Board considers that Mr HCT Strutt, Mr DAJ Cameron and Ms H James continue to be independent in character and judgement and their skills and experience were a significant benefit to the Board.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The following table shows the attendance record for the Board and Committee Meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all the Directors in office as at 20 January 2021.

Directors' Attendance at Meetings

	Board	Audit and Management Engagement Committee	Nomination Committee
Number of meetings	**5**	**2**	**1**
HCT Strutt	5	2	1
DAJ Cameron	5	2	1
WJ Ducas*	4	–	–
H James	5	2	1
CA Roxburgh	5	2	1
JA Simpson-Dent	5	2	1
MIG Wilson	5	2	1

* Mr WJ Ducas retired on 30 June 2021 and was not a member of the Audit and Management Engagement Committee.

Nomination Committee

The Nomination Committee consists of the whole Board and the Chairman of the Board is Chairman of the Committee except when the Committee is dealing with the matter of succession to the Chairmanship of the Company. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the composition of the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised.

The Committee's terms of reference are available on request from the Company and on the Company's page on the Managers' website: **edinburghworldwide.co.uk**.

Board Diversity

The Board recognises the benefits of diversity, and the Company's policy on diversity is referred to in the Strategic Report. The Board's priority in appointing new Directors to the Board is to identify candidates with the best range of skills and experience to complement existing Directors. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, it is the Board's policy to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. Accordingly the Board does not consider it appropriate to set diversity targets.

Board Composition

In order to fulfil its obligations, the Board recognises the importance of having a range of skilled and experienced Directors, balancing the benefits of length of service and knowledge of the Company with the desirability of ensuring regular refreshment of the Board. The Board reviews its composition annually.

Mr WJ Ducas stood down from the Board as at 30 June 2021. Following the retirement of Mr WJ Ducas, Ms H James was appointed as the Senior Independent Director. There are no changes expected in Board composition over the coming year although Mr D Cameron has highlighted to colleagues that he is unlikely to stand for re-election at the Company's 2023 AGM.

Performance Evaluation

During the year the Board appointed Lintstock Ltd, a firm which assists companies with the design and execution of board evaluations, to facilitate the performance evaluation of the Chairman, each Director, the Board as a whole and its Committees, undertaken in accordance with the requirement for FTSE 350 companies to have Board evaluations externally facilitated every three years. Lintstock is an independent company with no relationships with the Company or its directors. Lintstock provided questionnaires which were tailored to the specific needs of the Company. The questionnaires addressed, amongst other issues:

— Board and Committee composition, dynamics and expertise;

— quality of Board documentation, administration and third party relationships; and

— investment strategy, performance and priorities for change.

Each Director and the Chairman completed the questionnaires and the Chairman discussed feedback with each Director. The results were considered by the Nomination Committee. Lintstock reviewed the output from the evaluation process and judged the Company's Board, Committees and Directors to be operating effectively. Following this process it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and each Director and the Chairman remains committed to the Company.

A review of the Chairman's and other Directors' commitments was carried out and the Nomination Committee is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chairman's other commitments during the year.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. During the year briefings on industry and regulatory matters were provided to the Board by the Managers and Secretaries. Directors receive other relevant training as necessary.

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on page 37.

Audit and Management Engagement Committee

The report of the Audit and Management Engagement Committee is set out on pages 35 and 36.

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's risk management and internal controls systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the Alternative Investment Fund Managers Directive (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit and Management Engagement Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 and Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's Auditor and a copy is submitted to the Audit and Management Engagement Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit and Management Engagement Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems which accord with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board 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.

To comply with the Alternative Investment Fund Managers Directive, The Bank of New York Mellon (International) Limited act as the Company's Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Company's Depositary also acts as the Company's Custodian. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns are investigated.

The Depositary provides the Audit and Management Engagement Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see note 19 on page 67), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken.

Going Concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern and specifically in the context of the Covid-19 pandemic.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is set out on pages 9 and 10 and contained in note 17 to the Financial Statements. The Board has, in particular, considered the impact of heightened market volatility since the Covid-19 pandemic but does not believe the Company's going concern status is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its

Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on page 11 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence until 9 December 2022, which is for a period of at least twelve months from the date of approval of these Financial Statements.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers communicate regularly with shareholders and their representatives and report shareholders' views to the Board. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any member of the Board may do so by writing to them at the Company's registered office or through the Company's broker Numis Securities Limited (see contact details on the back cover).

The Company's Annual General Meeting provides a forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the meeting and is published on the Company's page of the Managers' website **edinburghworldwide.co.uk** subsequent to the meeting.

The notice period for the Annual General Meeting is at least twenty working days.

Shareholders and potential investors may obtain up-to-date information on the Company at **edinburghworldwide.co.uk**.

Corporate Governance and Stewardship

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests.

The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors, including climate change, when selecting and retaining investments and has asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long term investment returns. The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at **bailliegifford.com**. The Managers' policy has been reviewed and endorsed by the Board.

Climate Change

The Board recognises that climate change poses a serious threat to our environment, our society and to economies and companies around the globe. Addressing the underlying causes is likely to result in companies that are high emitters of carbon facing greater societal and regulatory scrutiny and higher costs to account for the true environmental impact of their activities. The Managers pursuit of long term growth opportunities typically involves investment in entrepreneurial, disruptive and technology-driven businesses. These companies are often capital-light with a low carbon footprint.

The Manager has engaged an external provider to map the carbon footprint of the portfolio, using the information to prioritise engagement and understand what higher emitting companies are doing to manage climate risk better. The carbon intensity of Edinburgh Worldwide Investment Trust's portfolio is 88.1% lower than the index (S&P Global Small Cap Index). This analysis estimate is based on the 75.8% of the value of the Company's portfolio which reports on carbon emissions and other carbon related characteristics.

The Managers, Baillie Gifford & Co, are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project and are also members of the Asian Corporate Governance Association and International Corporate Governance Network.

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2021

Audit and Management Engagement Committee Report

The Audit and Management Engagement Committee consists of all current independent Directors. With reference to the guidance from the 2019 AIC Code of Corporate Governance it is considered appropriate for Mr HCT Strutt, the Chairman, to be a member of the Audit and Management Engagement Committee as he is a qualified chartered accountant and as such brings significant financial experience to the Committee. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mr DAJ Cameron is Chairman of the Committee.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at **edinburghworldwide.co.uk**. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year the Committee meets with the external Auditor without any representative of the Managers being present.

Main Activities of the Committee

The Committee met twice during the year, and the external Auditor, Ernst & Young LLP, attended both meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for the meetings.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

— the preliminary results announcement and the Annual and Interim Reports;

— the Company's accounting policies and practices;

— the regulatory changes impacting the Company;

— the fairness, balance and understandability of the Annual Report and Financial Statements and provide advice to the Board whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;

— the effectiveness of the Company's internal control environment;

— appointment/reappointment, remuneration and terms of engagement of the external Auditor;

— whether the audit services contract should be put out to tender;

— the policy on the engagement of the external Auditor to supply non-audit services;

— the independence and objectivity of the external Auditor and the effectiveness of the external audit process;

— the need for the Company to have its own internal audit function;

— internal controls reports received from the Managers and Custodian;

— the terms of the Investment Management Agreement, as described on page 27 and the continuing appointment of the Managers; and

— the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Internal Audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company is therefore considered unnecessary.

Financial Reporting

The Committee considers that the most significant issue likely to affect the Financial Statements is the existence and valuation of investments as they represent 97.8% of total assets and the accuracy and completeness of income from investments.

Unlisted Investments

The Committee reviewed the Managers' valuation approach for investments in unlisted companies (as described on page 52) and approved the value of all unlisted investments at 31 October 2021, following a detailed review of the valuation of each investment and relevant challenge where appropriate.

The Managers agreed the holdings in certificated form to confirmations from the Company's custodian and holdings of uncertificated unlisted investments were agreed to confirmations from the relevant investee companies.

Listed Investments

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding recording and pricing of investments and the reconciliation of investment holdings to third party data.

The Managers agreed the prices of all the listed investments at 31 October 2021 to external price sources and the holdings were agreed to confirmations from the Company's Custodian or Transfer Agent.

Other Matters

The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding completeness and accurate recording of investment income. The accounting treatment of each special dividend received or receivable during the year are reviewed by the Managers as they arise.

The Committee considered the factors, including the impact of Covid-19, that might affect the Company's viability over a period of five years and its ability to continue as a going concern until at least 9 December 2022, which is at least twelve months from the date of approval of these Financial Statements, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities, and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability Statement on page 11 and statement on Going Concern on pages 33 and 34 including the potential impact of Covid-19. Following this assessment, the Committee recommended to the Board the appropriateness of the Going Concern basis in preparing the Financial Statements and confirmed the accuracy of the Viability Statement and statement on Going Concern.

The Auditor confirmed to the Committee that the investments at 31 October 2021 had been valued in accordance with the stated accounting policies. The value of all the listed investments had been agreed to external price sources and the portfolio holdings agreed to confirmations from the Company's Custodian. The value of unlisted investments had been supported by valuation papers produced by the Manager's Private Companies Valuations Group and portfolio holdings agreed to confirmation of ownership obtained directly from the investee Company.

The Managers and Auditor confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on page 33. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence of the external Auditor, the Committee reviewed:

- the Auditor's audit plan for the current year which includes a report from the Auditor describing their arrangements to manage auditor independence and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditor. There were no non-audit fees in the year to 31 October 2021.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

- the Auditor's fulfilment of the agreed audit plan;
- feedback from the Secretaries on the performance of the audit team; and
- the Audit Quality Inspection Report on Ernst & Young LLP issued by the FRC's Audit Quality Review team.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

- the Auditor's engagement letter;
- the Auditor's proposed audit strategy;
- the audit fee; and
- a report from the Auditor on the conclusion of the audit.

Ernst & Young LLP were appointed as the Company's Auditor at the Annual General Meeting held on 24 January 2017. The audit partner responsible for the audit is to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. The year ending 31 October 2021 is the fifth year out of a maximum of five for the current audit partner, Caroline Mercer.

Ernst & Young LLP have confirmed that they believe they are independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review described above, the Committee is satisfied that the Auditor remains independent and effective for the purposes of this year's audit and, as such, has not considered it necessary to put the audit services contract out to tender.

There are no contractual obligations restricting the Committee's choice of Auditor.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 40 to 46.

On behalf of the Board
Donald AJ Cameron
Chairman of the Audit and Management Engagement Committee
9 December 2021

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was last approved at the Annual General Meeting in January 2020 and no changes to the policy were proposed.

The Board reviewed the level of fees during the year and following a review of the Directors' time commitment and the fees paid by comparable trusts it was agreed that, with effect from 1 November 2021, the Chairman's fee would increase from £36,500 to £40,500, the Directors' fees would increase from £25,000 to £27,000 and the additional fee for the Audit and Management Engagement Committee Chairman would increase from £5,000 to £6,000 per annum. An additional new fee of £1,000 for the Senior Independent Director was also introduced. The fees were last increased on 1 November 2020.

Directors' Remuneration Policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co Limited, the Company Secretaries, provide comparative information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

Non-executive Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There are no performance conditions relating to Directors' fees and there are no long term incentive schemes or pension schemes. There is no notice period and no compensation is payable on loss of office.

Limits on Directors' Remuneration

The fees for the non-executive Directors are payable quarterly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £100,000 per annum in aggregate. Any change to this limit requires shareholder approval. The aggregate annual fees were previously increased from £150,000 to £200,000 as approved by shareholders on 23 January 2019. The Board is seeking shareholders' approval at the forthcoming Annual General Meeting to increase the aggregate annual limit, which has not changed since 23 January 2019, to £250,000 to accommodate the possibility of a temporary increase in the number of Directors as a result of Board refreshment and with a view to creating suitable headroom for future increases in fee levels. Your attention is drawn to Resolution 14 in the Notice of Annual General Meeting on page 69.

The basic and additional fees payable to Directors in respect of the year ended 31 October 2021 and the expected fees payable in respect of the year ending 31 October 2022 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 31 Oct 2022 £	Fees for year ending 31 Oct 2021 £
Chairman's fee	40,500	36,500
Non-executive Director fee	27,000	25,000
Additional fee for Chairman of the Audit and Management Engagement Committee	6,000	5,000
Additional fee for the Senior Independent Director	1,000	–
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association	250,000*	200,000

* Subject to shareholder approval at the forthcoming Annual General Meeting, see page 69. (The aggregate annual fees were previously increased from £150,000 to £200,000 as approved by shareholders on 23 January 2019. The Existing Articles cap on the aggregate of all fees paid to Directors is £100,000).

Annual Report on Remuneration

An ordinary resolution for the approval of this report will be put to the member at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 41 to 46.

Directors' Remuneration for the Year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2021 Fees £	2021 Taxable benefits* £	2021 Total £	% change in year	2020 Fees £	2020 Taxable benefits* £	2020 Total £
HCT Strutt (Chairman)	36,500	–	**36,500**	(2.8)	35,500	2,068	**37,568**
DAJ Cameron (Audit and Management Engagement Committee Chairman)	30,000	–	**30,000**	5.3	28,500	–	**28,500**
WJ Ducas (retired 30 June 2021)	16,667	–	**16,667**	(33.3)	24,000	989	**24,989**
H James	25,000	–	**25,000**	(2.1)	24,000	1,544	**25,544**
CA Roxburgh (appointed 1 February 2020)	25,000	–	**25,000**	38.9	18,000	–	**18,000**
JA Simpson-Dent (appointed 1 February 2020)	25,000	–	**25,000**	38.9	18,000	–	**18,000**
MIG Wilson	25,000	–	**25,000**	(2.9)	24,000	1,735	**25,735**
	183,167	**–**	**183,167**	**2.7**	**172,000**	**6,336**	**178,336**

* Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings held at the Edinburgh offices of Baillie Gifford & Co Limited, the Company's Secretaries.

Directors' Interests (audited)

The Directors are not required to hold shares in the Company. The Directors at the financial year end, and their interests in the Company, were as shown below. There have been no changes intimated in the Directors' interests up to 9 December 2021.

Name	Nature of interest	Ordinary shares held at 31 Oct 2021	Ordinary shares held at 31 Oct 2020
HCT Strutt	Beneficial	358,000	358,000
DAJ Cameron	Beneficial	8,717	8,717
H James	Beneficial	34,064	11,500
CA Roxburgh	Beneficial	20,488	15,179
JA Simpson-Dent	Beneficial	31,966	10,750
MIG Wilson	Beneficial	99,949	–

Statement of Voting at Annual General Meeting

At the Annual General Meeting held on 22 January 2020, of the proxy votes received in respect of the Directors' Remuneration Policy, 99.3% were in favour, 0.4% were against and votes withheld were 0.3%.

At the Annual General Meeting held on 20 January 2021, of the proxy votes received in respect of the Directors' Remuneration Report, 99.1% were in favour, 0.6% were against and votes withheld were 0.3%.

Relative Importance of Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The Directors' remuneration for the year is set out above. There were no distributions to shareholders by way of dividend or share repurchases during the year (2020 – none).

Directors' Service Details

Name	Date of appointment	Due date for re-election
HCT Strutt	1 November 2011	AGM in 2022
DAJ Cameron	2 December 2010	AGM in 2022
H James	2 December 2010	AGM in 2022
CA Roxburgh	1 February 2020	AGM in 2022
JA Simpson-Dent	1 February 2020	AGM in 2022
MIG Wilson	8 December 2016	AGM in 2022

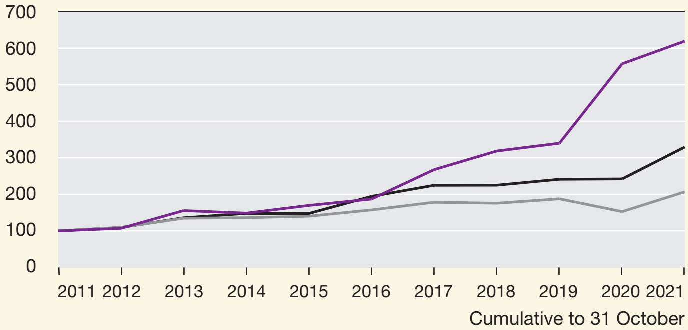
Company Performance

The following graph compares, for the ten financial years ended 31 October 2021, the share price total return (assuming all dividends are reinvested) to Edinburgh Worldwide ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies. Comparative Index provided for information purposes only.

Performance Graph

Edinburgh Worldwide's Share Price, FTSE All-Share Index and Comparative Index*

(figures have been rebased to 100 at 31 October 2011)



Source: Refinitiv and relevant underlying index providers. See disclaimer on page 75.

Edinburgh Worldwide share price

FTSE All-Share Index

Comparative Index* (in sterling terms)

All figures are total return (assuming all dividends reinvested).

* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index total return (in sterling terms). The comparative index data has been chain linked to form one comparative index figure. See disclaimer on page 75.

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on pages 37 to 39 was approved by the Board of Directors and signed on its behalf on 9 December 2021.

Henry CT Strutt
Chairman

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that complies with that law and those regulations.

The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The work carried out by the Auditor does not involve any consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Each of the Directors, whose names and functions are listed within the Directors and Management section, confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; and
- the Strategic Report includes 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.

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2021

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

- The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website; and
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report
To the Members of Edinburgh Worldwide Investment Trust plc

Opinion

We have audited the financial statements of The Edinburgh Worldwide Investment Trust plc (the 'Company') for the year ended 31 October 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 19 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

— give a true and fair view of the Company's affairs as at 31 October 2021 and of its profit for the year then ended;

— have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

— have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

— We confirmed our understanding of the Company's going concern assessment process and engaged with the directors and the Company Secretary to determine if all key factors were considered in their assessment.

— We inspected the Directors' assessment of going concern, including the revenue forecast, for the period to 9 December 2022 which is at least 12 months from the date the financial statements were authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.

— Inspecting the directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. Considering the mitigating factors included in the going concern assessment, including a review of the Company's assessment of the liquidity of the investments held and evaluating the Company's ability to sell investments in order to repay borrowings or cover the working capital requirements of the Company.

— Reviewing the Company's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

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 the period assessed by the directors, being the period to 9 December 2022, which is at least 12 month from when the financial statements are authorised for issue.

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

Overview of Our Audit Approach

Key audit matters	Risk of incorrect valuation or ownership of the investment portfolio Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement
Materiality	Overall materiality of £13.41m which represents 1% of shareholders' funds

An Overview of the Scope of Our Audit

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team and relevant specialists.

Key Audit Matters

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

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Incorrect valuation or ownership of the investment portfolio (as described on page 35 in the Report of the Audit and Management Engagement Committee and as per the accounting policy set out on page 52). The valuation of the investment portfolio at 31 October 2021 was £1,376.37m (2020 – £1,002.19m) consisting of quoted equities with an aggregate value of £1,244.77m (2020 – £941.39m),unquoted equities with an aggregate value of £151.60m (2020 – £60.80m). The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of quoted investments is determined by reference to bid value or the last traded price depending on the convention of the exchange on which the investment is quoted. Unquoted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Baillie Gifford Fair Value Pricing Group. The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The valuation of the unquoted investments, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements.	**We have performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding legal title and pricing of quoted and unquoted securities by performing walkthrough procedures. For quoted investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We inspected the stale pricing reports produced by Baillie Gifford to identify prices that have not changed within one business day and verified whether the quoted price is a valid fair value. For a sample of unquoted investments held as at the year-end we utilised our specialist Valuations and Business Modelling team to review and challenge the valuations. This included: — Reviewing the valuation papers prepared by the Manager for the final quarter of the year; — Assessing whether the valuations have been performed in line with the IPEV guidelines; — Assessing the appropriateness of the data inputs and challenging the assumptions used to support the valuations; — Assessing other facts and circumstances, such as market movement and comparative Company information, that have an impact on the fair market value of the investments; and — Determining a fair value range for the valuation and assessing whether Management's valuation is reasonable. For the remaining unquoted and suspended investments, we obtained and assessed the valuation papers to support the valuation of the investments as at 31 October 2021. We recalculated the unrealised gains/losses on investments as at the year-end using the book-cost reconciliation. We compared the Company's investment holdings at 31 October 2021 to independent confirmations received directly from the Company's Depositary or from the investee company.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (per the Audit and Management Engagement Committee report set out on page 35 and the accounting policy set out on page 53). The total revenue for the year to 31 October 2021 was £0.827m (2020 – £0.773m), consisting primarily of dividend income from quoted equity investments. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. The directors may be required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We performed the following procedures:** We obtained an understanding of Baillie Gifford's processes and controls surrounding revenue recognition including the classification of special dividends by performing walkthrough procedures. For a sample of dividends, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We agreed this sample to bank statements, and, where applicable, we also agreed the exchange rates to an external source. To test completeness of recorded income, we tested that dividends had been recorded for a sample of investee companies with reference to investee company announcements obtained from an independent data vendor. For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 31 October 2021. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and confirmed this was consistent with cash received as shown on post year end bank statements, where paid. We performed a review of the income and acquisition and disposal reports produced by Baillie Gifford to identify all special dividends received and accrued during the period, above our testing threshold. The Company recognised two special dividends above our testing threshold. We have confirmed that the classification of revenue for both payments was consistent with the underlying motives and circumstances for the two special dividends.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital items in the Income Statement.

In the prior year, our auditor's report included a key audit matter in relation to the impact of COVID-19. The impact of COVID-19 on going concern continued to be relevant to our audit of the Company and we considered this as part of our overall work on going concern which is set out under 'Conclusions relating to going concern'. The other elements of the prior year key audit matter have not been included as a separate key audit matter as it was determined that they did not have a significant impact on our audit strategy for this year's audit.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £13.41m (2020 – £9.92m), which is 1% (2020 – 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance Materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2020 – 75%) of our planning materiality, namely £10.06m (2020 – £7.44m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report to them all uncorrected audit differences in excess of £0.67m (2020 – £0.50m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 33 and 34;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 33 and 34;
- Directors' statement on fair, balanced and understandable set out on page 40;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks page 9;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 33; and
- The section describing the work of the Audit and Management Engagement Committee set out on pages 35 and 36.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to What Extent the Audit Was Considered Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Association of Investment Companies Code of Corporate Governance, The Association of Investment Companies Statement of Recommended Practice, the Listing Rules, the UK Corporate Governance Code, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Management Engagement Committee and Company Secretary and review of Board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to the incorrect valuation of the unquoted investments and the resulting impact on the unrealised gains/(losses) and incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other Matters We Are Required to Address

- Following the recommendation from the Audit and Management Engagement Committee, we were appointed by the Company at its Annual General Meeting on 24 January 2017 to audit the financial statements for the year ending 31 October 2017 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 October 2017 to 31 October 2021.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Use of Our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
9 December 2021

Income Statement

For the year ended 31 October

	Notes	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Gains on investments	8	–	178,323	**178,323**	–	329,236	**329,236**
Currency losses	12	–	(1,631)	**(1,631)**	–	(1,360)	**(1,360)**
Income	2	827	–	**827**	773	–	**773**
Investment management fee	3	(1,952)	(5,857)	**(7,809)**	(1,145)	(3,434)	**(4,579)**
Other administrative expenses	4	(907)	–	**(907)**	(715)	–	**(715)**
Net return before finance costs and taxation		(2,032)	170,835	**168,803**	(1,087)	324,442	**323,355**
Finance costs of borrowings	5	(340)	(1,019)	**(1,359)**	(331)	(991)	**(1,322)**
Net return before taxation		(2,372)	169,816	**167,444**	(1,418)	323,451	**322,033**
Tax	6	(50)	–	**(50)**	(61)	–	**(61)**
Net return after taxation		**(2,422)**	**169,816**	**167,394**	**(1,479)**	**323,451**	**321,972**
Net return per ordinary share	7	**(0.62p)**	**43.37p**	**42.75p**	**(0.46p)**	**100.89p**	**100.43p**

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this Statement derive from continuing operations.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the year.

The accompanying notes on pages 51 to 67 are an integral part of the Financial Statements.

Balance Sheet

As at 31 October

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Investments held at fair value through profit or loss	8		1,376,365		1,002,194
Current assets					
Debtors	9	322		160	
Cash and cash equivalents	17	33,127		40,894	
		33,449		41,054	
Creditors					
Amounts falling due within one year	10	(68,459)		(51,514)	
Net current liabilities			(35,010)		(10,460)
Net assets			**1,341,355**		**991,734**
Capital and reserves					
Share capital	11		4,052		3,543
Share premium account	12		497,999		316,281
Special reserve	12		35,220		35,220
Capital reserve	12		808,197		638,381
Revenue reserve	12		(4,113)		(1,691)
Shareholders' funds			**1,341,355**		**991,734**
Net asset value per ordinary share	13		**331.03p**		**279.90p**

The Financial Statements of Edinburgh Worldwide Investment Trust plc (Company registration number SC184775) were approved and authorised for issue by the Board and were signed on 9 December 2021.

Henry CT Strutt
Chairman

The accompanying notes on pages 51 to 67 are an integral part of the Financial Statements.

Statement of Changes in Equity

For the year ended 31 October 2021

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2020		3,543	316,281	35,220	638,381	(1,691)	**991,734**
Ordinary shares issued	11	509	181,718	–	–	–	**182,227**
Net return after taxation	12	–	–	–	169,816	(2,422)	**167,394**
Shareholders' funds at 31 October 2021		**4,052**	**497,999**	**35,220**	**808,197**	**(4,113)**	**1,341,355**

For the year ended 31 October 2020

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2019		3,026	183,754	35,220	314,930	(212)	**536,718**
Ordinary shares issued	11	517	132,527	–	–	–	**133,044**
Net return after taxation	12	–	–	–	323,451	(1,479)	**321,972**
Shareholders' funds at 31 October 2020		**3,543**	**316,281**	**35,220**	**638,381**	**(1,691)**	**991,734**

The accompanying notes on pages 51 to 67 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 31 October

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities					
Net return before taxation			167,444		322,033
Net gains on investments			(178,323)		(329,236)
Currency losses			1,631		1,360
Finance costs of borrowings			1,359		1,322
Overseas withholding tax incurred			(50)		(62)
Changes in debtors and creditors			416		623
Cash from operations*			(7,523)		(3,960)
Interest paid			(1,244)		(1,378)
Net cash outflow from operating activities			(8,767)		(5,338)
Cash flows from investing activities					
Acquisitions of investments		(305,256)		(164,843)	
Disposals of investments		108,235		65,917	
Net cash outflow from investing activities			(197,021)		(98,926)
Cash flows from financing activities					
Ordinary shares issued	11	182,227		133,044	
Bank loans drawn down		318,406		198,933	
Bank loans repaid		(299,373)		(198,933)	
Net cash inflow from financing activities			201,260		133,044
(Decrease)/increase in cash and cash equivalents			(4,528)		28,780
Exchange movements			(3,239)		(1,228)
Cash and cash equivalents at 1 November			40,894		13,342
Cash and cash equivalents at 31 October			**33,127**		**40,894**

* Cash from operations includes dividends received of £781,000 (2020 – £727,000) and no deposit interest received (2020 – £60,000).

The accompanying notes on pages 51 to 67 are an integral part of the Financial Statements.

Notes to the Financial Statements

The Company was incorporated under the Companies Act 2006 in Scotland as a public limited company with registered number SC184775. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust.

1 Principal Accounting Policies

The Financial Statements for the year to 31 October 2021 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of market volatility since the Covid-19 pandemic but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Depositary and Custodian, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on a going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the Covid-19 pandemic set out in the Viability Statement on page 11 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence until 9 December 2022, which is for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ('AIC') in November 2014 and updated in October 2019 and April 2021 with consequential amendments (amendments are effective for periods commencing after 1 January 2021 however the Company is early adopting).

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

(b) Functional Currency

The Directors consider the Company's functional and presentational currency to be sterling as the Company's share capital is denominated in sterling, the entity is listed on a sterling stock exchange in the UK, the Company's shareholders are predominantly based in the UK and the Company and its investment manager, who are subject to the UK's regulatory environment, are also UK based.

(c) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

(d) Accounting Estimates, Assumptions and Judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the fair value of the unlisted investments.

Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

(i) the determination of the functional currency of the Company as sterling (see rationale in 1(b) above); and

(ii) the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

(i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines 2018 to each unlisted investment; and

(ii) the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used (see 1(e) below) for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

(i) the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns;

(ii) the selection of a revenue metric (either historical or forecast);

(iii) the application of an appropriate discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;

(iv) the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;

(v) the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and

(vi) the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other Price Risk Sensitivity in note 17 on pages 64 to 66 to illustrate the effect on the Financial Statements of an over or under estimation of fair values. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

Assumptions

The determination of fair value by the Managers involves key assumptions dependent upon the valuation technique used. As explained in 1(e) below, the primary technique applied under the IPEV Guidelines is the Multiples approach. Where the Multiples approach is used the valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate calibration for estimating fair value. The Multiples approach involves subjective inputs and therefore presents a greater risk of over or under estimation and particularly in the absence of a recent transaction.

The key assumptions for the Multiples approach are that the selection of comparable companies provides a reasonable basis for identifying relationships between enterprise value, revenue and growth to apply in the determination of fair value. Other assumptions include:

(i) the discount applied for reduced liquidity versus listed peers;

(ii) the probabilities assigned to an exit being through either an IPO or a company sale; and

(iii) that the application of milestone analysis and industry benchmark indices are a reasonable basis for applying appropriate adjustments to the valuations. Valuations are cross-checked for reasonableness to alternative Multiples-based approaches or benchmark index movements as appropriate.

(e) Investments

The Company's investments are classified, recognised and measured at fair value through profit in accordance with sections 11 and 12 of FRS 102. Changes in the fair value of investments and gains and losses on disposal are recognised as capital items in the Income Statement.

Recognition and Initial Measurement

Purchases and sales of investments are accounted for on a trade date basis. Expenses incidental to purchase and sale are written off to capital at the time of acquisition or disposal. All investments are designated as valued at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

Measurement and Valuation

Listed Investments – The fair value of listed security investments is bid value or, in the case of holdings on certain recognised overseas exchanges, at last traded prices.

Unlisted Investments – Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment valuation policy applies techniques consistent with the IPEV Guidelines.

The techniques applied are predominantly market-based approaches. The market-based approaches available under IPEV Guidelines are set out below and are followed by an explanation of how they are applied to the Company's unlisted portfolio:

— Multiples;

— Industry Valuation Benchmarks; and

— Available Market Prices.

The nature of the unlisted portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various Multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the Industry Valuation Benchmarks technique and an absence of observable prices may preclude the Available Market Prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

The unlisted investments are valued according to a three monthly cycle of measurement dates from the date of purchase. The fair value of the unlisted investments will also be reviewed before the next scheduled three monthly measurement date on the following occasions:

— at the year end and half year end of the Company; and

— where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

Gains and Losses

Gains and losses on investments, including those arising from foreign currency exchange differences, are recognised in the Income Statement as capital items. The Managers monitor the investment portfolio on a fair value basis and uses the fair value basis for investments in making investment decisions and monitoring financial performance.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day. Cash equivalents comprise short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(g) Income

(i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.

(ii) If scrip dividends are taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital column of the Income Statement.

(iii) Special dividends are treated as capital or revenue depending on the facts of each particular case.

(iv) Unfranked investment income and overseas dividends include the taxes deducted at source.

(v) Underwriting commission and interest receivable on deposits is recognised on an accruals basis.

(h) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the revenue column of the Income Statement except:

(i) where they relate directly to the acquisition or disposal of an investment (transaction costs), in which case they are charged to the capital within gains/losses on investments; and

(ii) they relate directly to the buy-back/issuance of shares, in which case they are added to the buy-back cost or deducted from the share issuance proceeds.

The investment management fee is allocated 25% to revenue and 75% to capital, in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively.

(i) Borrowings and Finance Costs

Any borrowings are carried in the Balance Sheet at amortised cost, representing the cumulative amount of net proceeds after issue, plus accrued finance costs. The finance costs of borrowings are allocated 25% to the revenue account and 75% to the capital reserve. Gains and losses on the repurchase or early settlement of debt are wholly charged to capital.

(j) Deferred Taxation

Deferred taxation is provided on all timing differences which have originated but not reversed by the Balance Sheet date, calculated at the current tax rates expected to apply when its timing differences reverse, based on what has been enacted or substantially enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(k) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement and classified as a revenue or capital item as appropriate.

(l) Capital Reserve

Gains and losses on disposal of investments, changes in the fair value of investments held, exchange differences of a capital nature and the amount by which other assets and liabilities valued at fair value differ from their book cost are dealt with in this reserve. Purchases of the Company's own shares can also be funded from this reserve. 75% of management fees and finance costs are allocated to the capital reserve in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively.

(m) Single Segment Reporting

The Company has only one material segment being that of an investment trust company, investing primarily in listed companies throughout the world.

2 Income

	2021 £'000	2020 £'000
Income from investments		
UK dividends	411	154
Overseas dividends	402	538
Overseas interest	14	21
	827	**713**
Other income		
Deposit interest	–	60
Total income	**827**	**773**
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	813	692
Interest from financial assets designated at fair value through profit or loss	14	21
Interest from financial assets not at fair value through profit or loss	–	60
	827	**773**

3 Investment Management Fee

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Investment management fee	**1,952**	**5,857**	**7,809**	**1,145**	**3,434**	**4,579**

Details of the Investment Management Agreement are disclosed on page 27. The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

4 Other Administrative Expenses – all charged to the revenue column of the income statement

	2021 £'000	2020 £'000
Directors' fees (see Directors' Remuneration Report on page 38)	183	172
Auditor's remuneration for audit services (exclusive of VAT)	45	35
General administrative expenses	479	402
Depositary fees	200	106
	907	**715**

There were no non-audit fees in the year to 31 October 2021 or 31 October 2020.

5 Finance Costs of Borrowings

	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000
Interest on bank loans	340	1,019	**1,359**	331	991	**1,322**

6 Tax

	2021 £'000	2020 £'000
Analysis of charge in the year		
Overseas withholding tax	**50**	**61**
Factors affecting tax charge for year		
The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2020 – 19.0%). The differences are explained below:		
Net return before taxation	167,444	322,033
Net return before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2020 – 19.0%)	31,814	61,186
Capital returns not taxable	(33,572)	(62,297)
Income not taxable (UK dividends)	(78)	(29)
Income not taxable (overseas dividends)	(76)	(102)
Current year management expenses and non-trade loan relationship deficit not utilised	1,912	1,242
Overseas withholding tax incurred	50	61
Tax charge for the year	**50**	**61**

As an investment trust, the Company's capital gains are not taxable in the United Kingdom.

At 31 October 2021 the Company had surplus management expenses and losses on non-trading loan relationships of £62,778,000 (2020 – £52,718,000) which have not been recognised as a deferred tax asset. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

7 Net Return per Ordinary Share

	2021 Revenue	2021 Capital	2021 Total	2020 Revenue	2020 Capital	2020 Total
Net return after taxation	**(0.62p)**	**43.37p**	**42.75p**	**(0.46p)**	**100.89p**	**100.43p**

Revenue return per ordinary share is based on the net revenue loss after taxation of £2,422,000 (2020 – net revenue loss of £1,479,000) and on 391,579,802 (2020 – 320,606,304) ordinary shares, being the weighted average number of ordinary shares during the year.

Capital return per ordinary share is based on the net capital gain for the financial year of £169,816,000 (2020 – net capital gain of £323,451,000) and on 391,579,802 (2020 – 320,606,304) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

There are no dilutive or potentially dilutive shares in issue.

8 Fixed Assets – Investments

As at 31 October 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	1,224,768	–	–	**1,224,768**
Unlisted ordinary shares	–	–	18,235	**18,235**
Unlisted preference shares*	–	–	133,362	**133,362**
Unlisted convertible promissory note	–	–	–	**–**
Total financial asset investments	**1,224,768**	**–**	**151,597**	**1,376,365**

As at 31 October 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	941,393	–	–	**941,393**
Unlisted ordinary shares	–	–	23,213	**23,213**
Unlisted preference shares*	–	–	37,319	**37,319**
Unlisted convertible promissory note	–	–	269	**269**
Total financial asset investments	**941,393**	**–**	**60,801**	**1,002,194**

* The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a take-over.

Investments in securities are financial assets designated at fair value through profit or loss. In accordance with Financial Reporting Standard 102, the tables above provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

Fair Value Hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

The valuation techniques used by the Company are explained in the accounting policies on page 52. A sensitivity analysis by valuation technique of the unlisted securities is given on pages 64 to 66.

8 Fixed Assets – Investments (continued)

	Listed securities £'000	Unlisted securities * £'000	Total securities £'000
Cost of investments at 1 November 2020	467,361	58,616	**525,977**
Investment holding gains at 1 November 2020	474,032	2,185	**476,217**
Value of investments at 1 November 2020	941,393	60,801	**1,002,194**
Movements in year:			
Purchases at cost	233,960	70,123	**304,083**
Sales proceeds received	(108,235)	–	**(108,235)**
Gains on investments	140,087	38,236	**178,323**
Changes in categorisation at book cost	17,563	(17,563)	**–**
Value of investments at 31 October 2021	**1,224,768**	**151,597**	**1,376,365**
Cost of investments at 31 October 2021	673,993	111,176	**785,169**
Investment holding gains at 31 October 2021	550,775	40,421	**591,196**
Value of investments at 31 October 2021	**1,224,768**	**151,597**	**1,376,365**

* Includes holdings in ordinary shares, preference shares and convertible promissory note.

During the year investments with a book cost of £17,563,000 were transferred from Level 3 to Level 1 on becoming listed.

The disclosure of gains on investments has been amended to comply with the requirements of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in October 2019 and April 2021).

The purchases and sales proceeds figures above include transaction costs of £129,000 (2020 – £49,000) and £32,000 (2020 – £21,000) respectively.

	2021 £'000	2020 £'000
Net gains on investments designated at fair value through profit or loss on initial recognition		
Gains on sales	63,344	33,373
Changes in investment holding gains	114,979	295,863
	178,323	**329,236**

In respect of sales made during the year a net gain of £32,715,000 (2020 – net gain of £9,626,000) was included in investment holding gains and losses at the previous year end.

8 Fixed Assets – Investments (continued)

Significant Holdings

Details of significant holdings are noted below in accordance with the disclosure requirements paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in October 2019 and April 2021), in relation to unlisted investments included in the Twenty Largest Holdings as disclosed on page 18.

As at 31 October 2021

Name	Business	Latest Financial Statements	Proportion of capital owned %	Book Cost £'000	Market Value £'000	Income recognised from holding in the period	Turnover US$'000	Pre tax profit/ (loss) US$'000	Net Assets attributable to shareholders US$'000
Space Exploration Technologies	Designs, manufactures and launches advanced rockets and spacecraft	n/a	0.1	19,570	38,016	Nil	Information not publicly available		
PsiQuantum	Developer of commercial quantum computing	n/a	1.6	16,762	33,757	Nil	Information not publicly available		

As at 31 October 2020

Name	Business	Latest Financial Statements	Proportion of capital owned %	Book Cost £'000	Market Value £'000	Income recognised from holding in the period	Turnover US$'000	Pre tax profit/ (loss) US$'000	Net Assets attributable to shareholders US$'000
Space Exploration Technologies	Designs, manufactures and launches advanced rockets and spacecraft	n/a	0.1	18,047	20,546	Nil	Information not publicly available		

9 Debtors

	2021 £'000	2020 £'000
Due within one year:		
Income accrued (net of withholding taxes)	73	27
Other debtors and prepaid expenses	249	133
	322	**160**

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value. There are no debtors that were past due or impaired at 31 October 2021 or 31 October 2020.

10 Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
The Royal Bank of Scotland International Limited £100 million multi-currency revolving credit facility	66,153	–
National Australia Bank Limited £25 million multi-currency revolving credit facility	–	24,799
National Australia Bank Limited £36 million multi-currency revolving credit facility	–	23,929
Purchases for subsequent settlement	–	1,173
Investment management fee	1,919	1,439
Other creditors and accruals	387	174
	68,459	**51,514**

Borrowing facilities at 31 October 2021

A five year £100 million multi-currency revolving credit facility with The Royal Bank of Scotland International Limited with an expiry date of 9 June 2026.

A five year £25 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023.

A five year £36 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024.

At 31 October 2021 drawings were as follows:

£100 million multi-currency facility with the Royal Bank of Scotland International	€7,200,000 at an interest rate of 1.45000% per annum
	US$53,150,000 at an interest rate of 1.56575% per annum
	£21,300,000 at an interest rate of 1.500000% per annum

Rollover/maturity date: 14 December 2021.

Borrowing facilities at 31 October 2020

A five year £25 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023.

A five year £36 million multi-currency revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024.

At 31 October 2020 drawings were as follows:

£25 million multi-currency facility with National Australia Bank	€1,410,900 at an interest rate of 1.22000% per annum
	US$18,545,250 at an interest rate of 1.63038% per annum
	£9,185,037 at an interest rate of 1.43088% per annum
£36 million multi-currency facility with National Australia Bank	€1,410,900 at an interest rate of 1.55000% per annum
	US$18,545,250 at an interest rate of 2.02038% per annum
	£8,314,963 at an interest rate of 1.86088% per annum

Rollover/maturity date: 31 December 2020.

The main covenants relating to both loan facilities with National Australia Bank Limited and the facility with the Royal Bank of Scotland International Limited are: total borrowings shall not exceed 35% of the Company's adjusted gross assets and the minimum adjusted gross assets shall be £260 million. There were no breaches in the loan covenants during the year to 31 October 2021 (2020 – none).

11 Share Capital

	2021 Number	2021 £'000	2020 Number	2020 £'000
Allotted, called up and fully paid ordinary shares of 1p each	**405,203,695**	**4,052**	**354,318,695**	**3,543**

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium to net asset value in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the year to 31 October 2021 the Company issued a total of 50,885,000 shares on a non pre-emptive basis (nominal value of £509,000, representing 14.4% of the issued share capital at 31 October 2020) at a premium to net asset value (on the basis of debt valued at book value) raising net proceeds of £182,227,000 (In the year to 31 October 2020 – 51,720,000 shares with a nominal value of £517,000, representing 17.1% of the issued share capital at 31 October 2019 raising net proceeds of £133,044,000).

The Company also has authority to buy back shares. In the year to 31 October 2021 no ordinary shares were bought back therefore the Company's authority remains unchanged at 54,588,887 ordinary shares.

12 Capital and Reserves

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 November 2020	3,543	316,281	35,220	638,381	(1,691)	**991,734**
Net gains on sales of investments	–	–	–	63,344	–	**63,344**
Changes in investment holding gains	–	–	–	114,979	–	**114,979**
Exchange differences on bank loans	–	–	–	1,608	–	**1,608**
Other exchange differences	–	–	–	(3,239)	–	**(3,239)**
Ordinary shares issued	509	181,718	–	–	–	**182,227**
Investment management fee charged to capital	–	–	–	(5,857)	–	**(5,857)**
Finance cost of borrowings charged to capital	–	–	–	(1,019)	–	**(1,019)**
Revenue return after taxation	–	–	–	–	(2,422)	**(2,422)**
At 31 October 2021	**4,052**	**497,999**	**35,220**	**808,197**	**(4,113)**	**1,341,355**

The capital reserve includes investment holding gains on fixed asset investments of £591,196,000 (2020 – gains of £476,217,000) as disclosed in note 8.

The special reserve arose following the court approval for the cancellation of 30% of the value of the share premium account on 29 April 1999.

The special reserve may be utilised to finance any purchase of the Company's ordinary shares.

The revenue reserve is the only reserve distributable by way of dividend.

13 Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net asset value attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2021	2020	2021 £'000	2020 £'000
Ordinary shares	**331.03p**	**279.90p**	**1,341,355**	**991,734**

Net asset value per ordinary share is based on the net assets as shown above and 405,203,695 (2020 – 354,318,695) ordinary shares, being the number of ordinary shares in issue at each year end.

At 31 October 2021 and 31 October 2020 all borrowings are in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value per share between including debt at book, or fair value, in the calculation.

14 Analysis of Change in Net Debt

	At 31 October 2020 £'000	Cash flows £'000	Exchange movement £'000	At 31 October 2021 £'000
Cash and cash equivalents	40,894	(4,528)	(3,239)	33,127
Loans due within one year	(48,728)	(19,033)	1,608	(66,153)
	(7,834)	**(23,561)**	**(1,631)**	**(33,026)**

15 Contingencies, Guarantees and Financial Commitments

At 31 October 2021 there is a contingent asset not recognised in the financial statements in respect of potential deferred proceeds from the SPAC acquisition of an investee company, which is estimated to be approximately US$1.1 million (31 October 2020 – US$nil). The economic benefits flowing from the deferred proceeds are deemed to be probable and the full extent to which this amount will become receivable in due course is dependent on future events.

There were no contingent liabilities, guarantees or financial commitments at either the current or prior year balance sheet date.

16 Transactions with Related Parties and the Managers and Secretaries

The Directors' fees for the year are detailed in the Directors' Remuneration Report on page 38.

No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Details of the management contract are set out in the Directors' Report on page 27. The management fee payable to the Managers by the Company for the year, as disclosed in note 3, was £7,809,000 (2020 – £4,579,000) of which £1,919,000 (2020 – £1,439,000) was outstanding at the year end, as disclosed in note 10.

17 Financial Instruments

As an Investment Trust, the Company invests in listed and unlisted securities and makes other investments so as to meet its investment objective of achieving long term capital growth. The Company borrows money when the Board and Managers have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short term volatility. Risk provides the potential for both losses and gains and in assessing risk the Board encourages the Managers to exploit the opportunities that risk affords.

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Investment Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis.

Details of the Company's investment portfolio are shown in note 8 and on pages 19 to 22.

(i) Currency Risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Managers assess 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 rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

17 Financial Instruments (continued)

(i) Currency Risk (continued)

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

At 31 October 2021	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	1,030,792	33,001	(38,774)	(79)	**1,024,940**
Japanese yen	48,706	–	–	–	**48,706**
Australian dollar	29,135	–	–	–	**29,135**
Hong Kong dollar	26,722	–	–	–	**26,722**
Swiss franc	17,995	–	–	16	**18,011**
Danish krone	18,001	–	–	–	**18,001**
Euro	14,619	–	(6,079)	(12)	**8,528**
Total exposure to currency risk	1,185,970	33,001	(44,853)	(75)	**1,174,043**
Sterling	190,395	126	(21,300)	(1,909)	**167,312**
	1,376,365	**33,127**	**(66,153)**	**(1,984)**	**1,341,355**

* Includes non-monetary assets of £211,000

At 31 October 2020	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors * £'000	Net exposure £'000
US dollar	722,276	40,222	(28,686)	(1,192)	**732,620**
Japanese yen	51,201	–	–	–	**51,201**
Australian dollar	21,179	–	–	–	**21,179**
Hong Kong dollar	17,622	–	–	–	**17,622**
Swiss franc	12,078	–	–	6	**12,084**
Danish krone	12,691	–	–	–	**12,691**
Euro	20,801	–	(2,542)	(3)	**18,256**
Total exposure to currency risk	857,848	40,222	(31,228)	(1,189)	**865,653**
Sterling	144,346	672	(17,500)	(1,437)	**126,081**
	1,002,194	**40,894**	**(48,728)**	**(2,626)**	**991,734**

* Includes non-monetary assets of £86,000.

Currency Risk Sensitivity

At 31 October 2021, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return would have decreased by the amounts shown below. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The level of change is considered to be reasonable based on observations of current market conditions. The analysis is performed on the same basis for 2020.

	2021 £'000	2020 £'000
US dollar	51,274	36,631
Japanese yen	2,435	2,560
Australian dollar	1,457	1,059
Hong Kong dollar	1,336	881
Swiss franc	901	604
Danish krone	900	635
Euro	426	913
	58,702	**43,283**

17 Financial Instruments (continued)

(ii) Interest Rate Risk

Interest rate movements may affect directly:

— the fair value of investments in fixed interest rate securities;

— the level of income receivable on cash deposits;

— the fair value of fixed-rate borrowings; and

— the interest payable on any variable rate borrowings.

Interest rate movements may also impact upon the market value of the Company's investments outwith fixed income securities. The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and when entering borrowing agreements.

The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The Company finances part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board. Movements in interest rates, to the extent that they affect the market value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value (assuming that the Company's share price is unaffected by movements in interest rates).

The interest rate risk profile of the Company's financial assets and liabilities at 31 October is shown below:

Financial Assets

	2021 Fair value £'000	2021 Weighted average interest rate	2021 Weighted average period until maturity *	2020 Fair value £'000	2020 Weighted average interest rate	2020 Weighted average period until maturity *
Cash and short term deposits:						
US dollars	33,001	–	n/a	40,222	–	n/a
Sterling	126	–	n/a	672	–	n/a

* Based on expected maturity date.

The cash deposits generally comprise overnight call or short term money market deposits of less than one month which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the bank base rate.

Financial Liabilities

The interest risk profile of the Company's financial liabilities and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 31 October are shown below:

Interest Rate Risk Profile

	2021 £'000	2020 £'000
The interest rate risk profile of the Company's financial liabilities at 31 October was:		
Floating rate – Sterling denominated	21,300	17,500
– US$ denominated	38,774	28,686
– Euro denominated	6,079	2,542
	66,153	**48,728**

Maturity Profile

	2021 £'000	2020 £'000
The maturity profile of the Company's financial liabilities at 31 October was:		
In less than three months		
– repayment of loans	66,153	48,728
– accumulated interest	366	153
	66,519	**48,881**

17 Financial Instruments (continued)

(ii) Interest Rate Risk (continued)

Interest Rate Risk Sensitivity

An increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Company's total net assets and total return for the year ended 31 October 2021 by £2,456,000 (2020 – decreased by £1,619,000). This is due to the Company's exposure to interest rates on its revolving floating rate bank loans and cash balances. A decrease of 100 basis points would have had an equal but opposite effect.

(iii) Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Managers. The Company's portfolio of unlisted level 3 investments is not necessarily affected by market performance, however the valuations are affected by the performance of the underlying securities in line with the valuation criteria in note 1(e). The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the comparative index: investments are selected based upon the merit of individual companies and therefore performance may well diverge from the short term fluctuations of the comparative index.

Other Price Risk Sensitivity

A full list of the Company's investments is given on pages 19 to 22. In addition, a geographical analysis of the portfolio and an analysis of the investment portfolio by broad industrial or commercial sector is given on pages 23 and 24.

91.2% (2020 – 94.9%) of the Company's net assets are invested in quoted equities. A 10% increase in quoted equity valuations at 31 October 2021 would have increased total assets and total return by £122,476,600 (2020 – £94,139,000). A decrease of 10% would have had an equal but opposite effect.

15.3% (2020 – 6.1%) of the Company's net assets are invested in unlisted securities. The fair valuation of the unlisted investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1(d) on pages 51 and 52).

A sensitivity analysis is provided below which recognises that the valuation methodologies employed involve subjectivity in their significant unobservable inputs and illustrates the sensitivity of the valuations to these inputs. For 2021, the inputs have been flexed by +/-10% with the exception of the Recent Transaction Price valuation approach as it does not involve significant subjectivity. For 2020, the % sensitivity applied to each risk category is progressive and based on experience of valuation impacts during the pandemic. For the higher risk companies the impact of Covid-19 is much more uncertain and challenging to predict therefore a higher sensitivity of 50% is applied to reflect that, scaling down to 25% and 10% for medium and low risk respectively given their greater insulation to the impacts of Covid-19. When determining whether an investment valuation was felt to be low, medium or high risk with respect to sensitivity to Covid-19, several factors were considered such the impact of Covid-19 on the relevant industry, liquidity concerns for the specific company, and operational impacts on the business. This approach was not considered appropriate for the sensitivity analysis for 2021 as the impacts from the pandemic are now known. The table also provides the range of values for the key unobservable inputs.

17 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

As at 31 October 2021 Valuation Technique	Fair value of investments £'000	Key variable input*	Variable input sensitivity (%)	Positive impact £'000 †	Positive impact % of net assets	Negative impact £'000 †	Negative impact % of net assets
Recent Transaction‡							
Low Risk	86,681	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted Recent Transaction							
Low Risk	18,989	Selection of comparable companies					
		Probability estimation of liquidation event#	±10	1,899	0.1	(1,585)	(0.1)
		Application of valuation basis					
Multiples							
Low Risk	7,911	Estimated sustainable earnings					
		Selection of comparable companies					
		Application of liquidity discount	±10	683	0.1	(677)	(0.1)
		Probability estimation of liquidation event#					
		Application of valuation basis					
Price of Expected Transaction							
Low Risk	38,016	Application of illiquidity discount	±10	3,802	0.3	(3,802)	(0.3)
		Probability estimation of liquidation event#					
Total	**151,597**			**6,384**	**0.5**	**(6,064)**	**(0.5)**

As at 31 October 2020 Valuation Technique	Fair value of investments £'000	Key variable input* encompassing possible fluctuations due to Covid-19	Variable input sensitivity (%)	Positive impact £'000 †	Positive impact % of net assets	Negative impact £'000 †	Negative impact % of net assets
Recent Transaction‡		Selection of appropriate benchmark					
Medium Risk	5,750	Selection of comparable companies	±25	1,437	0.1	(1,437)	(0.1)
Low Risk	41,876	Probability estimation of liquidation event#	±10	4,162	0.4	(3,393)	(0.3)
		Application of valuation basis					
Adjusted Recent Transaction							
Medium Risk	4,328	Selection of comparable companies	±25	836	0.1	(551)	(0.1)
Low Risk	8,847	Application of illiquidity discount					
		Probability estimation of liquidation event#	±10	885	0.1	(862)	(0.1)
		Application of valuation basis					
Total	**60,801**			**7,320**	**0.7**	**(6,243)**	**(0.6)**

† Impact on net assets and net return after taxation.

A liquidation event is typically a company sale or an initial public offering ('IPO'). In assessing fair value the Company has determined the likely enterprise value attributed to the different investment classes held by the Company.

‡ A recent transaction valuation analysis was included for the year ended 31 October 2020 to capture the market fluctuation resulting from the outbreak of the Covid-19 pandemic. As Covid-19 fluctuations are no longer deemed the most reflective sensitivity, for a recent transaction there is less subjectivity and hence no percentage has been applied for the year ended 31 October 2021.

*** Key Variable Inputs**

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(d) on pages 51 and 52.

Selection of Appropriate Benchmarks

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison.

17 Financial Instruments (continued)

(iii) Other Price Risk (continued)

* **Key Variable Inputs (continued)**

Selection of Comparable Companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples derived will vary depending on the companies selected and the industries they operate in and can vary in the range of 1x to 10x.

Probability Estimation of Liquidation Events

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the Transaction-based and Multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario, or in a situation where a company is underperforming expectations significantly and therefore deemed very unlikely to pursue an IPO.

Application of Valuation Basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading Multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

Estimated Sustainable Earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then sustainable revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

Application of Liquidity Discount

The application of a liquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

Liquidity Risk

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

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Board monitors the exposure to any one holding.

The Company has the power to take out borrowings, which gives it access to additional funding when required. The Company's borrowing facilities are detailed in note 10 and the maturity profile of its borrowings are set out on page 63.

Credit Risk

This is the risk that a failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss.

This risk is managed as follows:

— where the Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;

— the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Managers monitor the Company's risk by reviewing the Custodian's internal control reports and reporting its findings to the Board;

— investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;

17 Financial Instruments (continued)

Credit Risk (continued)

— the creditworthiness of the counterparty to transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Managers of the creditworthiness of that counterparty; and

— cash is only held at banks that are regularly reviewed by the Managers.

As at 31 October 2020 the Company owned unquoted preference share securities (2021 – none). Some of these may have been classified as debt by the issuer. There are no material amounts past due in relation to these securities. As these instruments (alongside the ordinary share securities) have been recognised at fair value through profit and loss, the fair value takes into account credit, market and other price risk.

Credit Risk Exposure

The exposure to credit risk at 31 October was:

	2021 £'000	2020 £'000
Fixed interest investments	–	269
Cash and short term deposits	33,127	40,894
Debtors and prepayments	322	160
	33,449	**41,323**

None of the Company's financial assets are past due or impaired (2020 – none).

Fair Value of Financial Assets and Financial Liabilities

The Directors are of the opinion that either the financial assets and liabilities of the Company are stated at fair value or where they are measured at amortised cost, amortised cost is considered to be a reasonable approximation of fair value.

All short term floating rate borrowings are stated at book cost which is considered to be equal to their fair value given the facilities are revolving credit facilities and as at 31 October 2021 amounted to £66,153,000 (2020 – £48,728,000).

Capital Management

The capital of the Company is its share capital and reserves as set out in note 12 together with its borrowings (see note 10). The objective of the Company is the achievement of long term capital growth by investing primarily in listed companies throughout the world. The Company's investment policy is set out on page 8. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 33 and 34, pages 9 and 10 and page 33, respectively. The Company has the authority to issue and to buy back its shares (see pages 28 and 29) and changes to the share capital during the year are set out in note 11. The Company does not have any externally imposed capital requirements other than the covenants on its loans which are detailed in note 10.

18 Subsequent Events

Up to the date of this report the Company is not aware of any subsequent events.

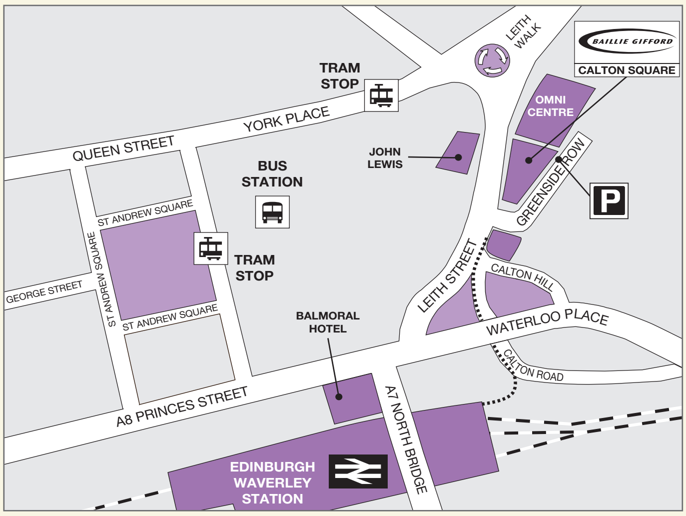
19 Alternative Investment Fund Managers (AIFM) Regulations

In accordance with the Alternative Investment Fund Managers Regulations, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors. In accordance with the Regulations, the AIFM's remuneration policy is available at bailliegifford.com or on request (see contact details on the back cover) and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period are also available at bailliegifford.com. The Company's maximum and actual leverage levels (see Glossary of Terms and Alternative Performance Measures on pages 76 and 77) at 31 October 2021 are shown below:

Leverage

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.05:1	1.05:1

Notice of Annual General Meeting



The Annual General Meeting of the Company will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, on Wednesday, 2 February 2022 at 12 noon.

If you have any queries as to how to vote or how to attend the meeting, please call us on 0800 917 2112.

Baillie Gifford may record your call.

By Rail:
Edinburgh Waverley – approximately a 5 minute walk away

By Bus:
Lothian Buses local services include:
1, 5, 7, 8, 10, 12, 14, 15, 15A, 16, 22, 25, 34

By Tram:
Stops at St Andrew Square and York Place

.... Access to Waverley Train Station on foot

Covid-19 pandemic – Important note regarding arrangements for the Annual General Meeting (AGM)

The Board of Edinburgh Worldwide Investment Trust plc (Edinburgh Worldwide) recognises the public health risk associated with the Covid-19 pandemic arising from public gatherings and notes the continuing measures restricting such gatherings, travel and attendances at workplaces.

At the same time, the Board is conscious of the legal requirement for Edinburgh Worldwide to hold its AGM before the end of April 2022. Given the current uncertainty around when public health concerns will have abated, the Board has for the time being decided to aim to follow the Company's corporate timetable and, accordingly, the Company's AGM is being convened to take place at 12 noon on Wednesday, 2 February 2022 at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN. At present, the Board expects to be able to welcome shareholders to the meeting. Should public health advice and Government measures change, however, arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business be concluded. The Board will, however, continue to monitor developments and any changes will be advised to shareholders and details will be updated on the Company's website at **edinburghworldwide.co.uk** and the London Stock Exchange regulatory news service.

In the meantime, the Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 12 noon on 31 January 2022.

We would encourage shareholders to monitor the Company's website at **edinburghworldwide.co.uk**. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to **trustenquiries@bailliegifford.com** or call 0800 917 2112. Baillie Gifford may record your call.

NOTICE IS HEREBY GIVEN that the twenty fourth Annual General Meeting of Edinburgh Worldwide Investment Trust plc (the 'Company') will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Wednesday, 2 February 2022 at 12 noon for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 11 and 15 will be proposed as ordinary resolutions and Resolutions 12 to 14 will be proposed as special resolutions:

1. To receive and adopt the Annual Report and Financial Statements of the Company for the financial year ended 31 October 2021 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 October 2021.
3. To re-elect Mr HCT Strutt as a Director of the Company.
4. To re-elect Mr DAJ Cameron as a Director of the Company.
5. To re-elect Ms H James as a Director of the Company.
6. To re-elect Mr MIG Wilson as a Director of the Company.
7. To re-elect Ms CA Roxburgh as a Director of the Company.
8. To re-elect Mr JA Simpson-Dent as a Director of the Company.
9. To reappoint Ernst & Young LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
10. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.
11. That, in addition to any existing authority, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with 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 ('Securities') provided that such authority shall be limited to the allotment of shares and grant of rights in respect of shares with an aggregate nominal value of up to £1,338,162.19 (representing approximately 33% of the nominal value of the issued share capital as at 8 December 2021), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an

agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

12. That, subject to the passing of Resolution 11 above, and in addition to any existing authorities, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the authority given by Resolution 11 above and to sell treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:

    (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

    (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £405,503.69 (representing approximately 10% of the nominal value of the issued share capital of the Company as at 8 December 2021).

13. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares in the capital of the Company ('Ordinary Shares') (either for retention as treasury shares for future reissue, resale, transfer or for cancellation) provided that:

    (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 60,785,003 or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution;

    (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share shall be the nominal value of that share;

    (c) the maximum price (excluding expenses) which may be paid for any Ordinary Share purchased pursuant to this authority shall not be more than the higher of:

        (i) 5% above the average closing price on the London Stock Exchange of an Ordinary Share over the five business days immediately preceding the day of purchase; and

        (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003); and

    (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract or contracts.

14. That the Articles of Association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

Ordinary Resolutions, Special Business

15. That the proposed investment policy set out on pages 8 and 9 of the Annual Report and Financial Statements for the year ended 31 October 2021, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification, be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company.

By Order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
23 December 2021

Notes:

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.

2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or **eproxyappointment.com**, not less than two days (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.

3. Only those shareholders having their name entered on the Company's share register not later than 12 noon on 31 January 2022 or, if the meeting is adjourned, at 12 noon two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.

4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website **euroclear.com/CREST**. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's registrars, Computershare Investor Services PLC (ID 3RA50) by no later than 12 noon on 31 January 2022. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars are able to retrieve the message by enquiry to CREST. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('Nominated Persons'). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.

7. There are special arrangements for holders of shares through the abrdn Investment Trusts Share Plan, Individual Savings Account and Investment Plan for Children. These are explained in the form of direction which such holders will have received with this report.

8. As at 8 December 2021 the Company's issued share capital comprised 405,503,695 ordinary shares of 1p each. Therefore, as at 8 December 2021, the total number of voting rights exercisable at the meeting is 405,503,695.

9. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

10. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.

11. Information regarding the meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website, **edinburghworldwide.co.uk**.

12. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

14. No Director has a contract of service with the Company.

15. The full terms of the proposed amendments to the Company's Articles of Association are available at the offices of Dickson Minto W.S., Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excepted), and on the Company's website, **edinburghworldwide.co.uk** from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Appendix

Summary of the Principal Amendments to the Company's Articles of Association

Set out below is a summary of the principal amendments which will be made to the Company's Existing Articles through the adoption of the New Articles if Resolution 14 to be proposed at the AGM is approved by shareholders.

This summary is intended only to highlight the principal amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection at the offices of Dickson Minto W.S., Level 13, Broadgate Tower, 20 Primrose Street, London EC2A 2EW between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excepted), and on the Company's website, **edinburghworldwide.co.uk**, from the date of the AGM Notice until the close of the AGM, and will also be available for inspection at the venue of the AGM from 15 minutes before and during the AGM.

Hybrid/Virtual-Only Shareholder Meetings

The New Articles permit the Company to hold shareholder meetings on a virtual basis, whereby shareholders are not required to attend the meeting in person at a physical location but may instead attend and participate using electronic means. A shareholder meeting may be virtual-only if attendees participate only by way of electronic means, or may be held on a hybrid basis whereby some attendees attend in person at a physical location and others attend remotely using electronic means. This should make it easier for the Company's shareholders to attend shareholder meetings if the Board elects to conduct meetings using electronic means. Amendments have been made throughout the New Articles to facilitate the holding of hybrid or virtual-only shareholder meetings.

While the New Articles (if adopted) would permit shareholder meetings to be conducted using electronic means, the Directors have no present intention of holding a virtual-only meeting. These provisions will only be used where the Directors consider it is in the best of interests of shareholders for a hybrid or virtual-only meeting to be held. Nothing in the New Articles will prevent the Company from holding physical shareholder meetings.

The Alternative Investment Fund Managers Directive (2011/61/EU) ('AIFMD') as incorporated into UK law by the European Union (Withdrawal) Act 2018 and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the 'AIFM Regulations')

The Board is proposing to take this opportunity to make amendments to the Existing Articles in response to the AIFM Regulations and all applicable rules and regulations implementing the AIFMD. The proposed new provisions are as follows:

(i) The Existing Articles will be amended to provide that the net asset value per share of the Company shall be calculated at least annually and be disclosed to shareholders from time to time in such manner as may be determined by the Board. The amendment will have no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

(ii) The New Articles stipulate that the valuation of the Company's assets will be performed in accordance with prevailing accounting standards, the AIFM Rules, or such other accounting standards, bases, policies and procedures as the Board may determine from time to time. This reflects best practice and has no bearing on current practice and simply articulates the minimum requirements of the AIFM Regulations.

International Tax Regimes Requiring the Exchange of Information

The Board is proposing to include provisions in the New Articles to provide the Company with the ability to require shareholders to co-operate in respect of the exchange of information in order to comply with the Company's international tax reporting obligations, including, without limitation, under or in relation to FATCA, the Common Reporting Standard and the European Union's Directive on Administrative Co-operation ('Tax Reporting Requirements').

The Existing Articles are being amended to provide the Company with the ability to require shareholders to co-operate with it in ensuring that the Company is able to comply with its Tax Reporting Requirements. The Existing Articles will also be amended to provide that (i) where any member fails to supply the relevant information to the Company within the relevant time period, the member will be deemed to have forfeited their shares and (ii) the Company will not be liable for any monies that become subject to a deduction or withholding relating to FATCA, the Common Reporting Standard or any similar laws as such liability would be to the detriment of shareholders as a whole.

Directors' Remuneration

The Board is proposing to amend the Existing Articles to increase the cap on the aggregate of all fees paid to Directors from £100,000 per annum to £250,000 per annum. The proposed increase is consistent with market practice. Shareholders last approved an increase in Directors' remuneration on 23 January 2019 when the aggregate cap on all fees was increased from £150,000 to £200,000.

Both of the Existing Articles and the New Articles allow for a higher amount to be approved from time to time by ordinary resolution of the Company.

Minor Amendments

The Board is also taking the opportunity to make some additional minor or technical amendments to the Existing Articles, including:

(i) the removal of historic provisions relating to share warrants and stock;

(ii) expanding the provisions on uncertificated shares;

(iii) simplifying the untraced shareholders procedure by removing the requirement for the Company to publish newspaper advertisements;

(iv) allowing dividends to be paid out of capital;

(v) a provision detailing how the Company may purchase its own shares;

(vi) a provision enabling the Directors to postpone a general meeting after notice of the meeting has been sent but before the meeting is held; and

(vii) a provision requiring all Directors to retire at each Annual General Meeting and be eligible for reappointment except any Directors appointed after notice of the meeting has been sent but before the meeting is held.

These changes generally reflect modern best practice and should assist in relieving certain administrative burdens on the Company.

Further Shareholder Information

Edinburgh Worldwide is an investment trust. Investment trusts offer investors the following:

— participation in a diversified portfolio of shares;

— constant supervision by experienced professional managers; and

— the Company is free from capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment.

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Edinburgh Worldwide, you can do so online. There are a number of companies offering real time online dealing services.

Sources of Further Information on the Company

The ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times and The Scotsman under 'Equity Investment Instruments'. The price of shares can also be found on the Company's page on Baillie Gifford's website at edinburghworldwide.co.uk, Trustnet at trustnet.co.uk and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Edinburgh Worldwide Share Identifiers

ISIN GB00BHSRZC82

Sedol BHSRZC8

Ticker EWI

Legal Entity Identifier 213800JUA8RKIDDLH380

AIC

The Company is a member of the Association of Investment Companies.

Key Dates

The Company pays the minimum permissible level of final dividend and no interim dividend. If a dividend was payable this would be due in February.

The Annual General Meeting is normally held in late January or early February.

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1643.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

— hear the latest share price;

— confirm your current share holding balance;

— confirm your payment history; and

— order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

By quoting the reference number on your share certificate you can check your holding on the Registrar's website at investorcentre.co.uk.

They also offer a free, secure, share management website service which allows you to:

— view your share portfolio and see the latest market price of your shares;

— calculate the total market price of each shareholding;

— view price histories and trading graphs;

— register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;

— update bank mandates and change address details; and

— use online dealing services.

To take advantage of this service, please log in at investorcentre.co.uk and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

Electronic Proxy Voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at eproxyappointment.com.

If you have any questions about this service please contact Computershare on 0370 707 1643.

CREST Proxy Voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as information only.

Analysis of Shareholders at 31 October

	2021 Number of shares held	2021 %	2020 Number of shares held	2020 %
Institutions	49,283,743	12.2	40,013,229	11.3
Intermediaries	336,106,763	82.9	294,984,880	83.3
Individuals	18,451,349	4.6	18,851,062	5.3
Marketmakers	1,361,840	0.3	469,524	0.1
	405,203,695	**100.0**	**354,318,695**	**100.0**

Data Protection

The Company is committed to ensuring the confidentiality and security of any personal data provided to it. Further details on how personal data is held and processed on behalf of the Company can be found in the privacy policy available on the Company's website edinburghworldwide.co.uk.

Risks

Past performance is not a guide to future performance.

Edinburgh Worldwide is a UK listed company. The value of the shares, and any income from them, can fall as well as rise and investors may not get back the amount invested.

Edinburgh Worldwide invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Edinburgh Worldwide has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.

Edinburgh Worldwide can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

Edinburgh Worldwide can make use of derivatives which may impact on its performance.

Edinburgh Worldwide has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions.

Edinburgh Worldwide's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell so changes in their prices may be greater.

Edinburgh Worldwide charges 75% of the investment management fee and 75% of borrowing costs to capital which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning the Company may not pay a dividend and the capital value would be further reduced.

The aim of Edinburgh Worldwide is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

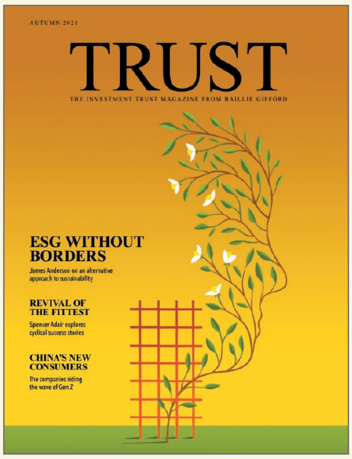
Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at **edinburghworldwide.co.uk**, or by calling Baillie Gifford on 0800 917 2112. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Edinburgh Worldwide is a UK public listed company and as such complies with the requirements of the Financial Conduct Authority but it is not authorised or regulated by the Financial Conduct Authority.

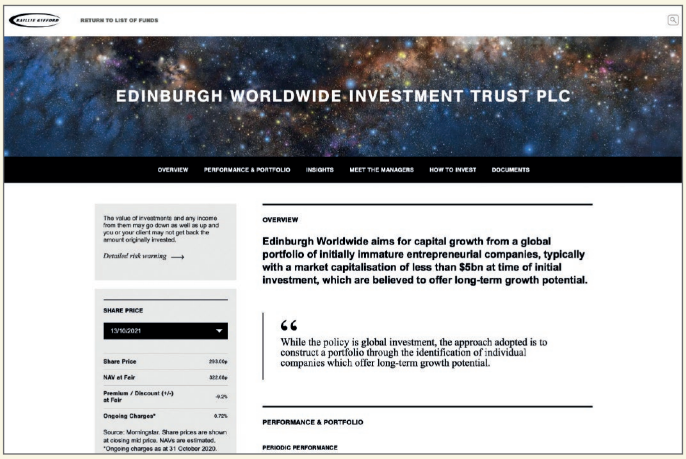
The Financial Statements have been approved by the Directors of Edinburgh Worldwide. The information and opinions expressed within the Annual Report and Financial Statements are subject to change without notice.

The staff of Baillie Gifford and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy or sell such shares from time to time.

Communicating with Shareholders



Trust Magazine



An Edinburgh Worldwide web page at edinburghworldwide.co.uk

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Edinburgh Worldwide. *Trust* plays an important role in helping to explain our products so that readers can really understand them.

You can subscribe to *Trust* magazine or view a digital copy at bailliegifford.com/trust.

Edinburgh Worldwide on the Web

Up-to-date information about Edinburgh Worldwide can be found on the Company's page of the Managers' website at edinburghworldwide.co.uk. You will find full details on Edinburgh Worldwide, including recent portfolio information and performance figures.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcomed. Please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have about Edinburgh Worldwide.

Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone, email or post:

Telephone: 0800 917 2112
Your call may be recorded for training or monitoring purposes.

Email: trustenquiries@bailliegifford.com
Website: bailliegifford.com

Address:
Baillie Gifford Client Relations Team
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice please ask an authorised intermediary.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Edinburgh Worldwide Investment Trust plc is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Edinburgh Worldwide Investment Trust plc 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.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders gov.uk/government/publications/exchange-of-information-account-holders.

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

S&P Index Data

The S&P Global Small Cap Index ('Index') is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ('SPDJI'). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ('S&P'); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ('Dow Jones'). Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

MSCI Index Data

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FTSE Index Data

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Glossary of Terms and Alternative Performance Measures ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Total Assets

The total value of all assets held less all liabilities other than liabilities in the form of borrowings.

Net Asset Value ('NAV')

Also described as shareholders' funds, net asset value is the value of total assets less liabilities (including borrowings). Net asset value can be calculated on the basis of borrowings stated at book value and fair value. An explanation of each basis is provided below. The net asset value per share is calculated by dividing this amount by the number of ordinary shares in issue excluding any shares held in treasury.

Net Asset Value (Borrowings at Book Value)

Borrowings are valued at their nominal book value. The value of the borrowings at book and fair value are set out on page 67.

Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of their market worth. The value of the borrowings at book and fair value are set out on page 67.

Net Asset Value (Reconciliation of NAV at Book Value to NAV at Fair Value)

	31 October 2021	31 October 2020
Net Asset Value per ordinary share (borrowings at book value)	331.03p	279.90p
Shareholders' funds (borrowings at book value)	£1,341,355,000	£991,734,000
Add: book value of borrowings	£66,153,000	£48,728,000
Less: fair value of borrowings	(£66,153,000)	(£48,728,000)
Shareholders' funds (borrowings at fair value)	**£1,341,355,000**	**£991,734,000**
Number of shares in issue	405,203,695	354,318,695
Net Asset Value per ordinary share (borrowings at fair value)	**331.03p**	**279.90p**

At 31 October 2021 and 31 October 2020 all borrowings are in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value at book value and fair value.

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Discount/Premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its net asset value. When the share price is lower than the net asset value per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, this situation is called a premium.

		31 October 2021	31 October 2020
Net asset value per share	(a)	331.03p	279.90p
Share price	(b)	319.50p	287.50p
(Discount)/premium	((b) - (a)) ÷ (a)	**(3.5%)**	**2.7%**

Total Return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

Compound Annual Return (APM)

The compound annual return converts the return over a period of longer than one year to a constant annual rate of return applied to the compound value at the start of each year.

Ongoing Charges (APM)

The total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value). The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

Ongoing Charges Calculation

	31 October 2021	31 October 2020
Investment management fee	£7,809,000	£4,579,000
Other administrative expenses	£907,000	£715,000
Total expenses (a)	**£8,716,000**	**£5,294,000**
Average daily cum-income net asset value (with debt at fair value) (b)	£1,324,089,000	£736,409,000
Ongoing charges (a) as a percentage of (b)	**0.66%**	**0.72%**

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing is the Company's borrowings at book value less cash and cash equivalents (including any outstanding trade settlements) expressed as a percentage of shareholders' funds.

	31 October 2021	31 October 2020
Borrowings (at book value)	£66,153,000	£48,728,000
Less: cash and cash equivalents	(£33,127,000)	(£40,894,000)
Less: sales for subsequent settlement	–	–
Add: purchases for subsequent settlement	–	£1,173,000
Adjusted borrowings (a)	£33,026,000	£9,007,000
Shareholders' funds (b)	£1,341,355,000	£991,734,000
Gearing: (a) as a percentage of (b)	**2%**	**1%**

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

	31 October 2021	31 October 2020
Borrowings (at book value) (a)	£66,153,000	£48,728,000
Shareholders' funds (b)	£1,341,355,000	£991,734,000
Potential gearing (a) as a percentage of (b)	**5%**	**5%**

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers Regulations, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Share Split

A share split (or stock split) is the process by which a company divides its existing shares into multiple shares. Although the number of shares outstanding increases, the total value of the shares remains the same with respect to the pre-split value.

Unlisted Company

An unlisted company means a company whose shares are not available to the general public for trading and not listed on a stock exchange.

Directors

Chairman:
HCT Strutt

DAJ Cameron
H James
CA Roxburgh
JA Simpson-Dent
MIG Wilson

Alternative Investment Fund Manager, Secretaries and Registered Office

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 707 1643

Depositary

The Bank of New York Mellon
(International) Limited
1 Canada Square
London
E14 5AL

Company Broker

Numis Securities Limited
The London Stock
Exchange Building
45 Gresham Street
London
EC2V 7BF

Independent Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Company Details

edinburghworldwide.co.uk

Company Registration
No. SC184775
ISIN GB00BHSRZC82
Sedol BHSRZC8
Ticker EWI

Legal Entity Identifier:
213800JUA8RKIDDLH380

Further Information

Baillie Gifford Client
Relations Team
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0800 917 2112
Email:
trustenquiries@bailliegifford.com