Schroder British Opportunities Trust plc

Annual Report and Financial Statements
for the year ended 31 March 2024

Schroders

Performance Summary

Net asset value ("NAV") per share return	Share price return	Share price discount to NAV per share*
2.5%	**16.1%**	**27.8%**
Year ended 31 March 2023: 3.1%	Year ended 31 March 2023: –18.5%	Year ended 31 March 2023: 36.2%

Some of the financial measures are classified as Alternative Performance Measures ("APMs"), as defined by the European Securities and Markets Authority and are indicated with an asterisk (*). Definitions of these performance measures, and other terms used in this report, are given on pages 80 and 81 together with supporting calculations, where appropriate.

Investment objective

Schroder British Opportunities Trust plc (the "Company") seeks to deliver long-term total returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK companies.

Investment policy

The Company will invest in a diversified portfolio of both public equity investments and private equity investments consisting predominantly of UK Companies with strong long-term growth prospects. It is anticipated that the Company's portfolio will typically consist of 30 to 50 holdings and will target companies with an equity value between approximately £50 million and £2 billion at the time of initial investment. The Company will focus on companies which the Portfolio Managers consider to be sustainable from an environmental, social and governance perspective, supporting at least one of the goals and/or sub-goals of the United Nations' Sustainable Development Goals ("SDGs"), or which the Portfolio Manager considers would benefit from their support in helping them incorporate SDGs into their business planning and/or in reporting their alignment with SDGs. The Company may, from time to time, use borrowings for investment and efficient portfolio management purposes. Gearing will not exceed 10% of Net Asset Value, calculated at the time of drawdown of the relevant borrowing.

Why invest in the Company?

- **A best of British portfolio**

  With high corporate governance standards and an entrepreneurial heritage, there are a wealth of innovative opportunities among British businesses, which can offer strong long-term growth potential.

- **Highly experienced managers**

  Combining Schroder's public equity and private equity investment expertise in a uniquely compelling investment proposition.

- **A broader UK opportunity set**

  Taking full advantage of both public and private equity markets means access to an enhanced UK investment universe of high quality, high growth companies, maximising the opportunity for value creation.

Shares in issue

73,900,000

Year ended 31 March 2023: 73,900,000

Share price

79.50p

Year ended 31 March 2023: 68.50p

Net Cash*^

11,585,000

Year ended 31 March 2023: 7,759,000

Ongoing charges ratio*

1.40%

Year ended 31 March 2023: 1.47%

^includes investment in liquidity fund.

This is not a sustainable product for the purposes of the Financial Conduct Authority ("FCA") rules. References to the consideration of sustainability factors and ESG integration should not be construed as a representation that the Company seeks to achieve any particular sustainability outcome.

Scan this QR code on your smartphone camera to sign-up to receive regular updates on Schroder British Opportunities Trust plc

Strategic Report

Strategic Report

The current portfolio of innovative, predominantly UK companies are growing strongly, the majority in line or ahead of expectations. The patient investor that can look beyond the recent market environment should be well rewarded.

I am pleased to present your Company's fourth annual report and financial statements since the launch of the Company in 2020. This report covers the year ended 31 March 2024.

Investment strategy

Your Company invests in a diversified mix of public and private companies, either based in the UK or generating a significant proportion of their revenue in the UK. We seek to invest in companies with potential for high growth. Our objective is to deliver long-term and sustainable capital growth for shareholders. We are not venture investors. We focus on the growth and later stage buyout sector where earnings are more predictable but strong growth is still available.

On 28 November 2023, the FCA published its final policy statement (PS23/16) on Sustainability Disclosure Requirements and investment labels and, as a result, the Board is reviewing both the Company's investment policy and the disclosures it makes in its reporting.

Market

The UK equity market, and investment companies in particular, remains largely out of favour with investors and UK pension funds. Growth companies who require cash to fuel that growth saw their ratings suffer as interest rates increased and that has sustained in many cases, despite forecasts of lower rates as UK inflation falls back into a lower and more normal range. The market appears not to discriminate effectively between companies that need cash and those that don't. The majority of the companies in your Company's private portfolio are already profitable with positive operating cash flows or are funded through to that point.

Many commentators predict a market recovery but differ in their opinion on the likely timing of this. Macro-economic factors such as the Federal Reserve's approach to managing the US economy, where growth is stronger than Europe and there is less reason to reduce rates, and the conflicts in Europe and the Middle East, may well be influential.

Performance

I am pleased to report that your Company's NAV per share increased 2.5% from 107.32p to 110.05p during the year under review. This follows an increase in the previous year of 3.1% and 12.3% since inception. This steady growth is despite portfolio valuations being affected by market sentiment towards growth companies and, in the case of the private portfolio, lower multiples in the comparator groups used.

Private portfolio

The Company's private equity portfolio has continued to perform well, in part due to our focus on growth capital and buyout areas of the market in contrast to venture capital and pre-IPO areas, which have been more negatively impacted by rising inflation and interest rates. Of the Company's portfolio of nine private businesses as at 31 March 2024, seven are exceeding or in line with performance expectations. In aggregate, the companies are demonstrating strong sales growth (24% LTM sale growth)[1] and robust margins (46% EBITDA margin)[2], whilst being valued at a discount to public comparables.

The private portfolio represented 65% of the Company's NAV as at 31 March 2024 and produced a fair value gain of 6.3% over the year.

Public portfolio

Unfortunately the Company's public equity holdings detracted from performance despite being helped by a take-over bid for City Pub Group by Young & Co's Brewery, which represents the sixth quoted portfolio company to be bid for since the Company's inception. Not only does this endorse the strength and potential of some of our portfolio holdings but it also demonstrates external interest in growing UK companies.

The public portfolio represented 23.9% of the Company's NAV as at 31 March 2024 and produced a fair value loss of 2.3% over the year.

Further comment on performance and investment activity can be found in the Investment Managers' Review.

Valuations

Your Board considers its governance role in the valuations process to be of utmost importance. Public investments are valued at the prevailing market price and the private portfolio is subject to a valuations process led by independent non-executive Director Professor Tim Jenkinson, an acknowledged expert of private equities valuation metrics. Your Board understands that shareholders are often sceptical of private equity valuations when they can't be readily verified. The Company is fortunate to have a specialist valuations team within Schroders, which is independent of the Investment

[1]Weighted average sales growth of all of the Company's private equity portfolio companies (except Graphcore) for the last twelve months (LTM).
[2]Weighted average EBITDA (earnings before interest, taxes, depreciation and amortization) margin of all of the Company's private equity portfolio companies valued on an EBITDA basis (CFC, Culligan, Learning Curve, Mintec and Pirum).

Managers, and who report their findings directly to the Board. The results reported reflect their in-depth analysis and a discursive and challenging valuations process. In all cases, public market comparables are used.

Discount management

The discount to NAV narrowed during the year under review from 36.2% to 27.8%. Given your Board's confidence in the valuations process, there is little logic to this discount applying to your Company other than to cite market sentiment to private equity investment companies generally. It certainly does not reflect the aggregate operational performance of the Company's unquoted holdings since inception.

Buy-backs are one of several mechanisms your Board actively considers to reduce this discount. The use of cash reserves is a matter of regular review. We aim to balance the benefits of highly accretive buy-backs when discounts are high against ensuring that we hold appropriate reserves to fund potential follow-on investments in the private portfolio and capture the best of the new investment opportunities that we continue to see. Given the current pipeline, particularly from companies that want to stay private for longer and taking into consideration the current size of the Company, we have chosen not to buy back throughout the year.

Company size

Your Company successfully launched in 2020 when the IPO market was very challenging. Indeed, two other investment company IPOs were withdrawn from the market shortly before the Company was launched. This impacted the amount raised and your Board is considering several options to increase the size of the Company to increase its appeal to wealth managers and to improve its liquidity.

Dividend

No dividend has been declared or recommended for the year. Your Company is focused on providing capital growth and has a policy to only pay dividends to the extent that it is necessary to maintain the Company's investment trust status.

Board

There have been no changes to the Board during the year. For cost reasons, we have operated with just three Directors since losing Christopher Keljik last year, but this was not optimal. Additionally, I have decided to retire and will not be offering myself for re-election at the forthcoming AGM. We have therefore recently completed an extensive recruitment process using a specialist Board recruitment firm to bring Board strength back to four following my retirement.

I am pleased to welcome Justin Ward and Jemma Bruton to the Board as independent non-executive Directors. Justin will replace me as Chairman after the AGM on 18 September 2024, following a handover period.

Justin is a Director and active investment professional with extensive private equity experience. He is currently a non-executive Director and Committee Chairman at Hargreave Hale AIM VCT and at The Income & Growth VCT; following a career at CVC Capital Partners and as a partner at Hermes Private Equity and Bridgepoint Development Capital.

Jemma is currently co-managing director of Salica Investments Advisory LLP (formerly Hambro Perks Advisory LLP) and formerly an executive Director at Goldman Sachs. She also has extensive experience in the private equity segments targeted by our Company.

It has been my pleasure to Chair your Company since its IPO in 2020 and I extend my grateful thanks to shareholders for their support and to my Board colleagues for their diligence and hard work, particularly over the period where we were such a small team.

Biographical details for each of the Directors can be found on pages 34 and 35.

Presentation from the Investment Managers

The Investment Managers will be presenting at a webinar on Tuesday, 16 July 2024 from 09:00am – 10:00am to provide some insight into their decision making and the current portfolio. Shareholders are encouraged to register for the event at: https://www.schroders.com/sbot.

Regular news about the Company can be found on the Company's website: https://www.schroders.com/sbot.

Annual General Meeting ("AGM")

The AGM will be held on Wednesday, 18 September 2024 at 1.00pm at 1 London Wall Place, London EC2Y 5AU.

Your Board welcomes shareholders' comments and questions for it or for the Investment Managers. A short presentation will be given by the investment management team at the AGM. Please contact us via our Company Secretary's email: amcompanysecretary@schroders.com or, if you prefer to write in, to: The Company Secretary, Schroder British Opportunities Trust plc, at the above address.

Please note that all voting will be on a poll and we encourage all shareholders to exercise their votes by means of registering them with the Company's Registrar ahead of the meeting, online or by completing paper proxy forms, and to appoint the Chairman of the meeting as their proxy. Information on voting can be found in the Notice of Annual General Meeting on page 77. The Directors consider that all of the resolutions listed are in the best interests of the Company and its shareholders and therefore recommend a vote in favour of each, as the Directors intend to do in respect of their own holdings.

Outlook

The current economic environment continues to be challenging with many company valuations trading at close to historic lows. The UK stock market represents one of the cheapest equity markets in the world and the UK mid-cap sector looks particularly attractive. Interest rates remain stubbornly high for now but UK inflation numbers are better which suggests a more positive medium-term outlook for growth companies. Your Board and the Investment Managers view the Company's current discount as unjustly high and at some point we expect this to start to close. The Bank of England may well provide the trigger for this event in the coming months.

The Schroders Capital team has an extensive general partner ("GP") network providing an unrivalled access to a range of private company investments. Your Company offers the public market investor a unique opportunity to gain exposure to these companies during their growth phase. As at year end, the total for the Company's cash and liquidity fund investment was £11.6 million. This financial position enables the Company to be well positioned to take advantage of opportunities in the pipeline. The number of companies listed on the London Stock Exchange has steadily fallen in recent years as an increasing number of businesses have been taken private or have sought private equity finance in preference to a UK listing. The Company has full access to the rich universe of UK public and private investment opportunities and is not limited to the shrinking investment pool faced by investment companies focusing solely on UK listed companies.

The current portfolio of innovative, predominantly UK companies are growing strongly, the majority in line or ahead of expectations. The patient investor that can look beyond the recent market environment should be well rewarded.

Neil England
Chairman

10 July 2024

Rory Bateman

Tim Creed

Uzo Ekwue

Peraveenan Sriharan

> *"The Company's differentiated public-private equity strategy enables us to continue to invest without boundaries."*

Summary

Financial performance

Net asset value increased by 2.5%, from £79.3 million as at 31 March 2023 to £81.3 million as at 31 March 2024.

- **Main positive performers over the 12 months:**
  - EasyPark (unquoted)
  - Cera (unquoted)
  - Culligan (unquoted)
- **Main negative performers over the 12 months:**
  - Learning Curve (unquoted)
  - Rapyd (unquoted)
  - Watches of Switzerland (quoted)

Portfolio overview

Focus on growing and mostly profitable companies that have strong balance sheets and that can sustainably compound their earnings over the long run.

Unquoted allocation focused on growth capital and small/mid-market buyout-stage companies, avoiding areas at greatest valuation risk.

Main activity over the 12 months included:

- Follow-on investments made in private equity holdings CFC and Learning Curve to support growth.
- We exited three publicly listed holdings; Keywords Studios, City Pub Group and Velocys.

Outlook

Opportunity in quoted UK companies
UK small and mid-caps, and consumer areas of market, have substantial re-rating potential in sustained economic recovery.

Unloved UK equities may represent notable valuation opportunity.

New drivers of PE market returns
Strategies focused on identifying companies that exhibit strong underlying financial performance poised to do well in current environment.

Potentially easier to achieve in small/medium size companies.

Future opportunities
New investment in HeadFirst recently announced, while considerable portfolio liquidity to make further investments.

Market

In the summer months of 2023, the US Federal Reserve and the Bank of England both concluded their interest rate hiking cycles. Since then, central banks have maintained a tight monetary policy without the need for further interest rate increases. This is due to easing inflationary pressures, with goods and energy prices moderating while services and wage inflation have remained relatively stable. However, initial expectations of early and significant interest rate cuts in 2024 have been pushed further into the future and are expected to be more modest in scale.

After exceeding expectations of weak economic growth in the first half of 2023, the UK economy experienced a slowdown in the second half, entering a shallow recession with two consecutive quarters of economic contraction. However, recent data for the early months of 2024 suggests a return to economic growth, indicating that the recession may be relatively short-lived. While forecasts anticipate improved UK economic activity, the level of growth is expected to remain modest. Furthermore, UK inflation moderated in the second half of the year, aligning the country more closely with other developed markets.

While the Company's private equity portfolio has continued to perform well in aggregate, private equity markets have not been immune to economic headwinds over the past year. As a reminder, our focus is on the small to mid-market area of the UK private equity landscape, and we hope the following provides useful insight into recent activity to contextualise the period under review. According to KPMG's UK mid-market PE snapshot for 2023, deal volumes in this area declined by 10%, with only 675 transactions completed in 2023, compared to the 748 completed in 2022. However, the UK private equity market as a whole saw a greater decline of nearly 20%, with total deals falling from 1,802 in 2022 to 1,451 in 2023. Additionally, UK mid-market exit volumes remained depressed, with 2023's 181 exits representing the lowest annual amount for six years. However, 2024 has already brought some optimism, with stabilised rates and tamed inflation bringing increased certainty, giving dealmakers more reason to increase activities.

Portfolio performance

Since the Company's IPO in December 2020, the NAV has been resilient despite a volatile market backdrop. The portfolio's combined exposure to both public and private equity markets has provided NAV stability since inception. Over the past 12 months, positive NAV growth has been driven by fair value gains in the portfolio's private equity (unquoted) allocation, which is illustrated below.

Attribution analysis (£m) for 12 months to 31 March 2024

	Quoted	Unquoted	Money Market Funds	Net cash	Other	NAV
Value as at 31 March 2023	**26.2**	**47.9**	**0.0**	**7.8**	**(2.6)**	**79.3**
+ Investments	1.1	2.0	11.6	(14.7)	–	0.0
– Realisations at value	(7.3)	0.0	(1.1)	8.4	–	0.0
+/– Fair value (losses)/gains	(0.6)	3.0	0.3	–	–	2.7
+/– Costs and other movements	–	–	–	(0.7)	0.0	(0.7)
Value as at 31 March 2024	**19.4**	**52.9**	**10.8**	**0.8**	**(2.6)**	**81.3**

Key positive and negative performers over the 12 months to 31 March 2024

Top 5 contributors	Contribution %
EasyPark	2.0
Cera	1.2
Culligan	1.2
Mintec	1.2
City Pub Group	1.2

Bottom 5 contributors	Contribution %
Learning Curve	–1.9
Rapyd	–1.9
Watches of Switzerland	–1.5
Sosandar	–0.6
Learning Technologies	–0.5

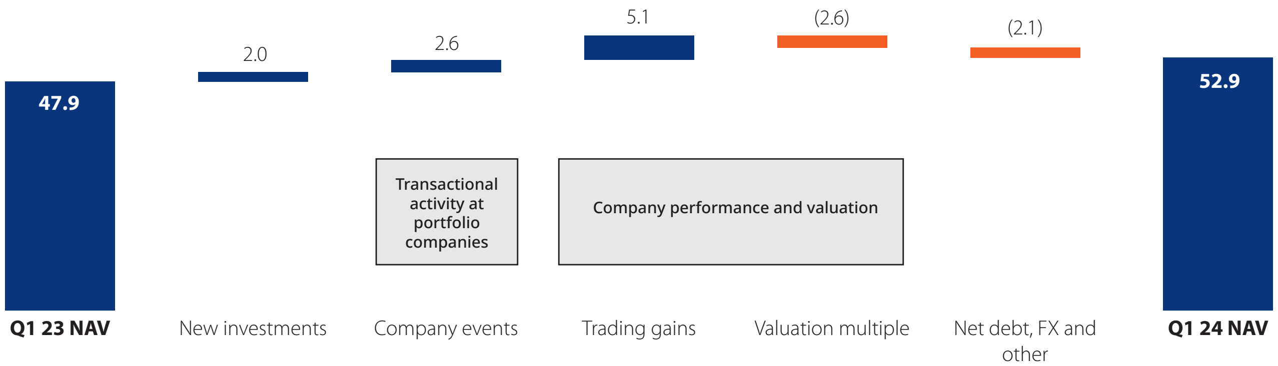
The net asset value increased 2.5% from £79.3 million to £81.3 million over the period, which comprised:

- Quoted holdings: –0.8%
- Unquoted holdings: 3.8%
- Money Market Funds 0.4%
- Costs and other movements: –0.9%

Private equity holdings

The portfolio's private equity (unquoted) holdings have continued to perform well in aggregate, with 7 out of the 9 private equity holdings exceeding or in line with performance expectations. We believe that the Company's private equity focus on the 'growth capital' and 'buyout' areas of the private equity landscape, in contrast to venture capital and pre-IPO areas, which have been more negatively impacted by rising inflation and interest rates, have contributed to the resilience of the NAV. Looking closer at the past 12 months, trading gains and transactional activity (company events, such as add-on transactions and financing rounds) at the portfolio companies have driven gains, despite noticeable valuation multiple contraction that demonstrates the prudence of the valuation approach applied.

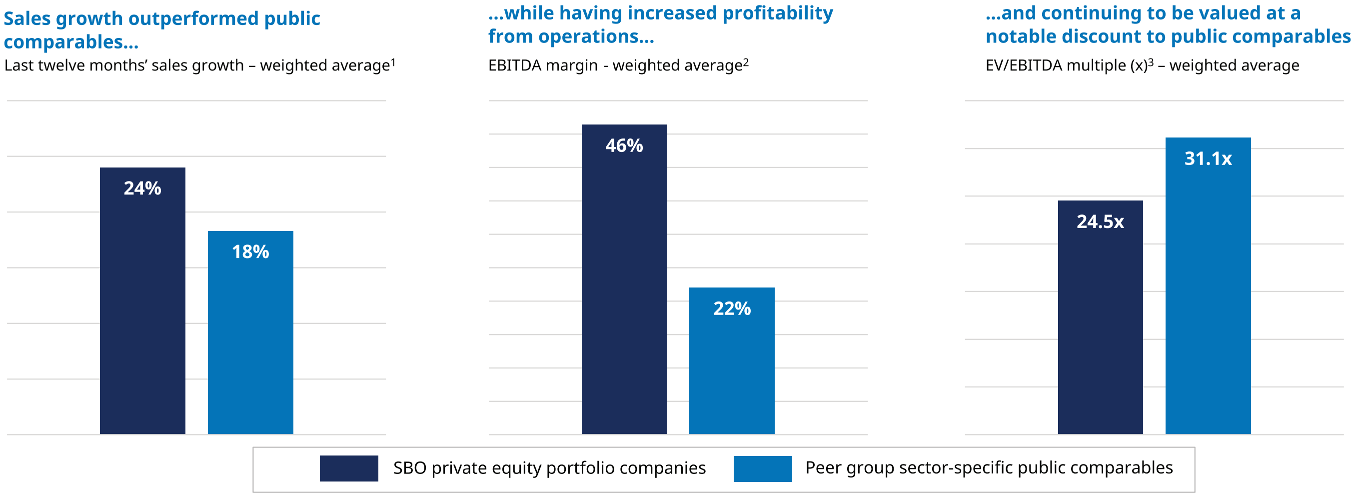
Private equity allocation attribution – 12 months to 31 March 2024
Trading gains and transaction activity have driven performance



Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.
Source: Schroders Capital, 2024.

The portfolio's private equity companies (excluding Graphcore) have seen >1.3x greater sales growth than publicly listed comparable companies, delivering 24% sales growth vs 18% for public comparables over the past 12 months. At the same time, the portfolio's private equity companies valued on an EBITDA basis are demonstrating stronger profitability from operations than public comparables (46% vs 22%). Despite these favourable metrics, these portfolio companies are being valued at a discount to public comparators, as illustrated below.

Strong sales growth with strong profitability from operations…
…while valued at a discount to public comparables



Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.
Source: Schroders Capital, using latest available data as at 31 March 2024.
[1]For all SBO private equity portfolio companies, except Graphcore, and their relevant peer group sector-specific public comparables.
[2]For SBO private equity portfolio companies valued on an EBITDA basis (CFC, Culligan, Learning Curve, Mintec and Pirum) and their relevant peer group sector-specific public comparables. EBITDA margin is a measure of a company's operating profit as a percentage of its revenue.
[3]For SBO private equity portfolio companies valued on an EBITDA basis (CFC, Culligan, Learning Curve, Mintec and Pirum) and their relevant peer group sector-specific public comparables. EV/EBITDA = Enterprise Value/Earnings Before Interest, Tax, Depreciation, and Amortisation. EBITDA is a measure of core corporate profitability. EV/EBITDA is a valuation metric used to compare relative value of different businesses.

Turning to individual private equity portfolio companies, the most significant contributor over the year was parking tech company, **EasyPark**, which has continued its impressive global growth strategy focused on acquisitions, strategic partnerships and organic growth. One considerable milestone was EasyPark's announcement of its intention to acquire Flowbird Group, a deal that will be highly complementary to its existing business, while extending the group's global reach.

Digital-first healthcare-at-home company, **Cera**, has continued to make substantial progress over the past year. The company completed the successful delivery of 7.5 million home care visits over the 2023 winter period. This was underpinned by Cera's AI-powered care model, in which patient symptoms and health data are used to predict deterioration of patient condition 30 times quicker than typical methods, enabling Cera to deliver more effective care in the home and reduce hospitalisation rates by up to 70%, alleviating further burden on already-overstretched NHS services.

Another important contributor was hydration solutions business, **Culligan**. Culligan's vision is to create a global player in water and, in combination with **Waterlogic**, is present globally across point-of-use water coolers, bottle water coolers, conditioning and filters, supported by a sophisticated suite of technology. The company is focused on driving organic growth in household and commercial sectors globally through investment in strong premium branding, leveraging experience and expertise across the group, while expanding retail channels to drive penetration in homes. As most transformative acquisitions have now been completed, the ongoing buy and build strategy will be focused on accretive add ons to strengthen market position.

Independent provider of global commodity price data and market intelligence, **Mintec**, has focused on the development of technological capabilities with regards to forecasting. This includes more than 500 new price forecasts for commodities, which will enable their clients to better understand future prices and inform their buying and investment decisions. Additionally, the company has released version 4.5 of Mintec Analytics, which includes cost model forecasts. In addition to technological capabilities, the company has progressed with new hires, including the appointment of a Chief Product Officer and Chief Revenue Officer, which will strengthen product innovation and growth.

On the more challenging side, the valuations for both holdings in **Learning Curve** and **Rapyd** have come down over the past year. The valuation of private UK training and education specialist, Learning Curve Group, was reduced due to some short-term demand weakness. We believe the longer-term outlook remains positive. Meanwhile, Rapyd continues to grow its customer base, principally fuelled by its small and medium-sized customers, while in July 2023, it announced the acquisition of a substantial part of PayU Global Payment Organisation, enabling further global expansion across Central and Eastern Europe and Latin America. While the company continues to perform, the investment landscape in the payments sector remains challenging, with comparable listed businesses amending their long-term growth outlooks. As a result, the valuation multiple applied as at 31 March 2024 has been reduced, offsetting the company's positive financial performance, leading to a reduction in valuation over the period.

Public equity (quoted) holdings

Performance was held back by a disappointing calendar Q1 2024 thanks to a combination of extended rate expectations and some stock specific events. Regarding the former, short-term volatility is expected due to the portfolio's concentration in economically/rate sensitive parts of the market, such as consumer discretionary, industrial, and technology sectors.

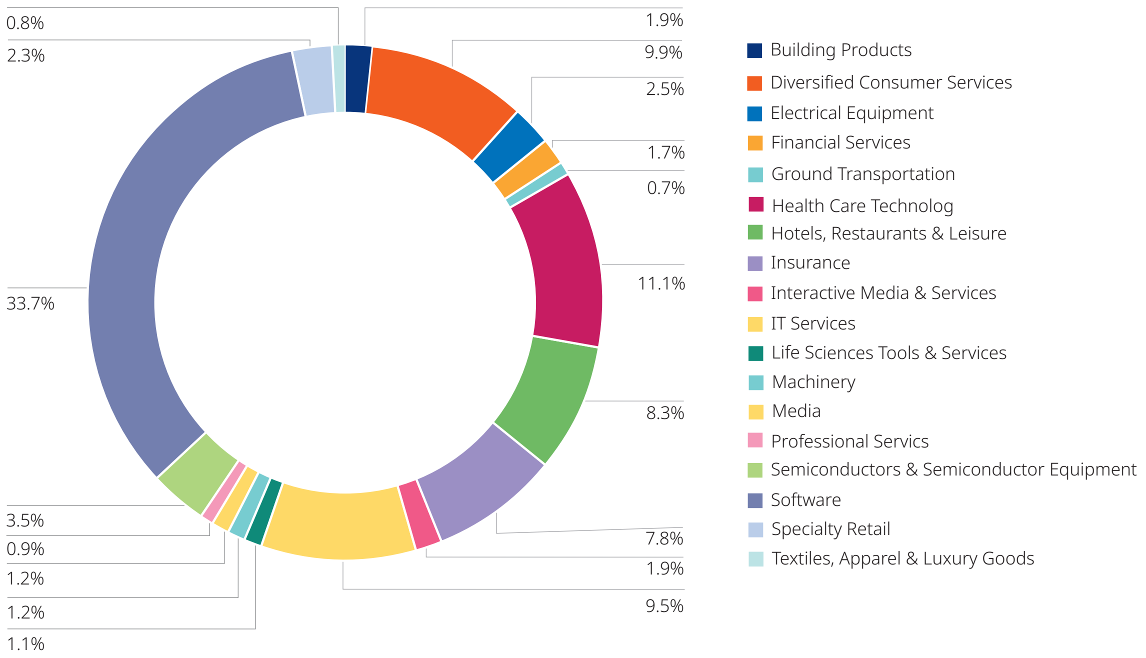
Looking closer at the performers over the past 12 months, **City Pub Group** was a standout contributor, as shares were boosted after the company received a take-over bid from Young & Co's Brewery. This represents the sixth quoted portfolio company to be bid for since the Company's inception. Not only does this endorse the strength and potential of some of our portfolio holdings but it also demonstrates external interest in growing UK companies. Meanwhile, shares of value-added reseller **Bytes Technology**, online review platform **Trustpilot** and train and coach app **Trainline** did well, following strong financial results.

Detractors to performance included **Watches of Switzerland**, whose shares were initially impacted by the news of Rolex's acquisition of luxury watch retailer Bucherer and then by a profit warning in early 2024. We continue to monitor the investment closely. Meanwhile, shares in women's fashion brand **Sosandar** fell after the company announced that revenues would be lower than expected due to its new focus on reducing the level of discounting of its products. While the share price reaction was disappointing, we support the move to a multi-channel concept focussed on higher margin customers.

Portfolio diversification

While having notable exposure to software, the portfolio is well-diversified across a number of growing industry sectors.

Portfolio breakdown by industry as % of total equity investments (as at 31 March 2024)



Portfolio changes

Over the year, we continued to scour both private and public markets for the brightest growth prospects, focusing on small and mid-sized companies.

Private equity activity

A core focus of our portfolio companies has been executing business transformation through robust organic growth and acquisitions. To this end, we made a £1.0 million follow-on investment in **CFC** to help support the acquisition of Solution Underwriting (an Australian managing general agent) and aid continued organic growth efforts, including product innovation. We also made a £0.7 million follow-on in **Learning Curve** to bolster its balance sheet.

Public equity activity

We exited our small holding in **Velocys** in September due to concerns over its balance sheet. As mentioned earlier, we also sold our position in City Pub Group in October following its bid by competitor Young & Co's Brewery Plc.

Post period end

In June 2024, we announced a new private equity investment in **HeadFirst**, an international HR tech service provider, operating in 15 European countries. This represents the tenth private equity investment made by the Company since inception. The capital invested will be used to finance HeadFirst's acquisition of managed services and specialist staffing provider Impellam Group (previously UK AIM listed), to create a world leader in workforce solutions for STEM (science, technology, engineering, and mathematics) talent. The Company gained exposure to HeadFirst via Schroders' long-standing investment partner IceLake. We are pleased to be investing at this important development milestone for HeadFirst as we believe the combined business has the potential for significant growth over the coming years.

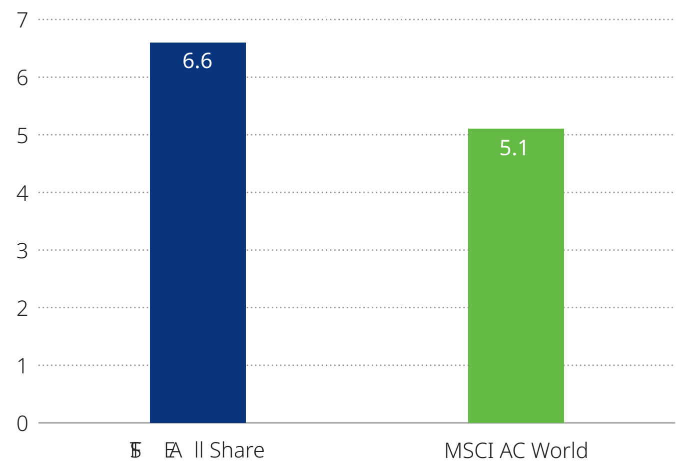
Outlook

Expectations of the timing of Bank of England interest rates have been pushed further out, which has likely contributed to the underperformance of listed UK small and mid-caps relative to large caps so far in 2024. This is important to note as the Company's public equity portfolio is focused in this area of the UK market while also having notable exposure to the consumer discretionary sector, which is sensitive not only to interest rate sentiment but also consumer confidence. However, we believe that when clearer signs of a sustained economic recovery materialise and market sentiment substantially improves, both small and mid-caps, and the consumer sectors of the market, should be amongst the first areas of the UK market to re-rate. Additionally, we believe that the UK Chancellor's recent Spring Budget and the announcement of the creation of a tax-free British ISA, represents a positive development and could help to narrow the discount at which UK listed companies trade in aggregate.

Aside from the relative valuation opportunity, with UK equities remaining unloved relative to world markets in an historical context, they are also attractive due to their strong balance sheets in aggregate. The valuation opportunity can also be looked at through the lens of free cash flow yields, with the UK having a higher yield than many other developed markets, making investing in the UK a compelling opportunity (illustrated below).

UK attractively valued versus other developed markets

FY2 Free Cash Flow Yield

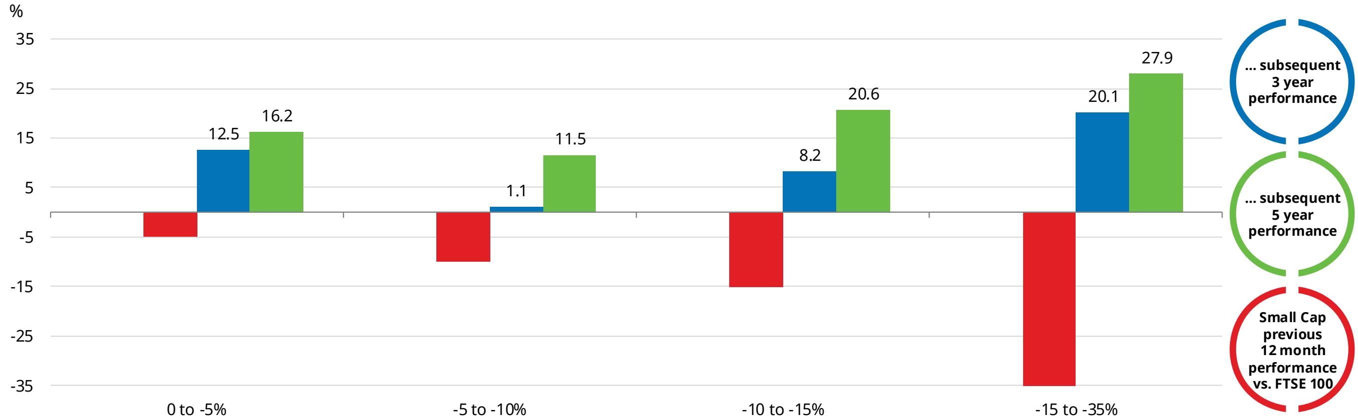


Source: Schroders, Fact set. FY2 Free Cash Flow Yield of the FTSE All-Share Index and MSCI All Country World Index as at 31 March 2024.

As reported in last year's annual report and financial statements, our analysis shows that market underperformance in the past by UK small and mid-caps has usually been followed by outperformance over three-to-five year periods relative to large cap companies in the FTSE 100 Index:

UK small cap performance vs. FTSE 100

Buying on weakness had given the best long-term returns

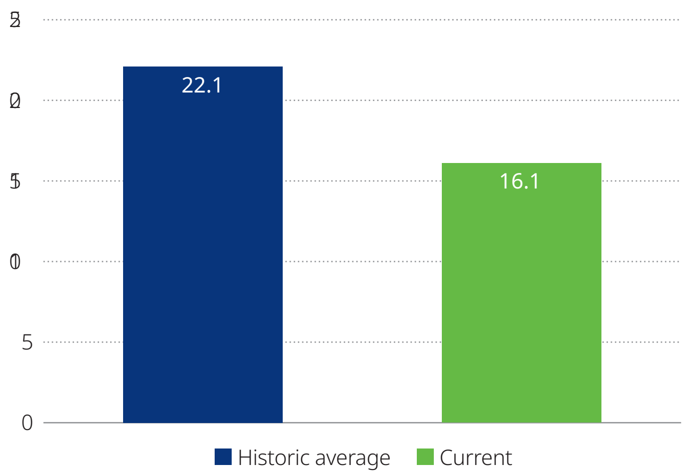


Source: Schroders, returns are shown for the Numis Small Cap plus AIM ex IT index vs FTSE 100 index. Based on rolling 12-month performance from 31 March 1991 to 31 March 2024.

Our public equity holdings could be well poised to take advantage of the subsequent outperformance observed in the past. Furthermore, with these holdings valued at a 27% discount to their 5-year historic averages, as measured by their forward price to earnings, they are also attractively valued on a relative basis (illustrated below).

SBO's public equity valuations, 31 March 2024

Forward Price to Earnings (P/E) of SBO public equity sleeve vs historic average



	Forward P/E vs historic average
SBO public equity sleeve	–27.1%

Source: Schroders, LSEG Workspace. Analysis reflects 17 of the 22 public equity holdings that have a positive P/E ratio. 'Historic average' means either 5 years or the duration the stock has been a listed company, if shorter.

In terms of market activity, we are currently witnessing small-cap companies being acquired for large premiums, with some of those premiums perhaps undervaluing a company's long-term grown prospects. Meanwhile, the demand for regional equities has been waning and UK small-cap chief executives have grown frustrated with their depressed share prices, leading to an increase in share buy-backs. As Investment Managers, we encourage these actions, particularly when rates remain elevated, and the market appears to respond positively to such behaviours. We also believe that a significant aspect of the issue lies in perception, where there may be some simplistic views regarding the UK equity market or UK capital markets as a whole that tend to dominate the conversation. It is worth noting that the UK is home to a diverse range of over 1000 listed companies. However, it is often the top 10 or 20 companies that receive the most attention and heavily influence the commentary on the market as a whole.

In private equity markets, with financial engineering unlikely to propel returns in the near term due to increased interest rates, inflation and macroeconomic uncertainty, we continue to believe that strategies focused on identifying companies that exhibit strong underlying financial performance are poised to do well. This may be achieved by the expansion of product lines, geographic footprint and professionalising companies to improve profit margins, for example. This is all easier to do in small and medium-sized companies, and typically harder to achieve at larger companies, which have often been through several rounds of private equity or institutional ownership. An example from the portfolio is Mintec, a highly profitable software price reporting agency business. In recent years, acquisitions (e.g. AgriBriefing) have significantly expanded Mintec's profits while accelerating international growth prospects. Meanwhile, recent additional C-suite hires have further strengthened the company's senior workforce.

Despite the economic backdrop, we are seeing significant deal flow across a breadth of opportunities. We have established a formidable network in the UK (as well as globally) with hard-to-access investment partners, and strongly believe we are well positioned to seek out the best opportunities for the Company going forward. We believe the recently announced investment in HeadFirst, alongside our long-standing investment partner IceLake Capital, is a good example of this.

The Company's differentiated public-private equity strategy enables us to continue to invest without boundaries, providing access to a broader investable universe which differentiates us from other investment trusts.

Schroder Investment Management Limited

10 July 2024

Investment Approach and Process

Investment approach

The Company was launched in December 2020 to invest, initially, in companies impacted by the Covid-19 pandemic. The focus was on investing in (i) high growth UK companies looking to maximise their potential as well as in (ii) mispriced growth opportunities where equity was required to return businesses to their previous growth trajectory following the disruption caused by the pandemic. Although the impact of Covid-19 is substantially diminished, there continues to be no shortage of British companies which fit into the categories of high or mispriced growth investment opportunities and the Company's business model continues to be appropriate. The Company combines Schroders' extensive public and private equity investment experience to access UK company growth across the life cycle, focusing on small and medium-sized businesses. The Company is philosophically ownership-agnostic in the sense that its strategy is to invest in both public and private companies. Furthermore, the Company believes that investors are best served by an offering that considers a comprehensive UK equity universe, as publicly listed small and mid-caps only represent a fraction of company growth in the UK economy.

The Company's portfolio has been constructed from the bottom up, with investments focused on quality, growing and predominantly profitable companies, that have strong balance sheets and that can sustainably compound their earnings over the long run. Typically, these businesses will exhibit considerable pricing power (which is particularly beneficial in times of higher inflation), strong management teams, and will already be delivering strong revenue growth. Where portfolio companies have not yet reached profitability, the investment team seek out companies that are well-funded and possess a clear route towards profitability.

Given the high-growth nature of the opportunities targeted, the portfolio will have notable exposure to software and IT services areas of the market. However, the portfolio is well-diversified to include other sectors, such as consumer services, healthcare, leisure and financial services.

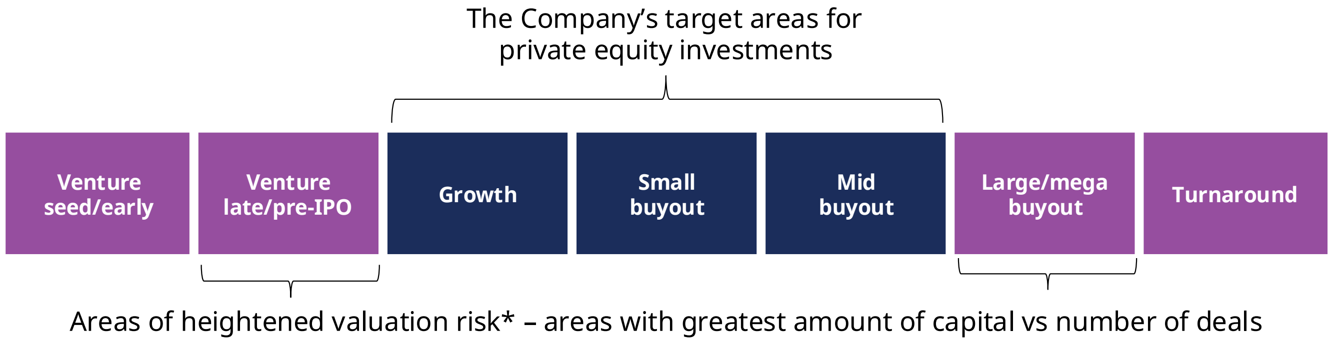
The Investment Managers place a high priority on the price paid as a crucial factor in determining long-term investment returns. To ensure they do not overpay for growth opportunities, they maintain discipline in the valuation process. The portfolio focuses on high-growth names that have robust business models and are well-positioned to benefit from secular tailwinds. These companies are expected to be either at or near profitability and exhibit strong growth characteristics, such as increasing customer numbers or expanding market share.

The team is also aware that market inefficiencies often result in significant disparities between underlying public equity company fundamentals and market estimates, which is referred to as the 'growth gap'. Consequently, the team actively seeks opportunities to exploit this growth gap. They believe that markets tend to overlook future prospects, rely too heavily on extrapolating historical growth trends, and overreact to short-term news. When evaluating potential investments, the team looks for companies that demonstrate a positive growth gap compared to consensus estimates, along with catalysts that could lead to a re-rating of the shares, strong valuation support, attractive risk-reward profiles, and good governance.

In terms of the portfolio's investment strategy, the team aims to invest in UK small and medium-sized businesses with a market capitalisation range between £50 million and £2 billion. These companies have the potential to provide primary capital to support growth. Leveraging Schroders' extensive research capabilities and long track record in listed equities, particularly in the small and mid-cap space, the Company is well-positioned to identify and capitalise on these opportunities.

In terms of the portfolio's private equity allocation, the investment team focuses on direct and co-investment opportunities that span the growth capital and small/mid-market buyout areas, where it believes numerous companies exist with considerable transformation potential, while avoiding areas that the team believe pose heightened valuation risk (see figure below). The Company's private equity allocation leverages Schroders Capital's more than 25 years' experience in private equity investing and 100+ specialist General Partner relationships to create strong deal flow for high selectivity of direct and co-investments. Schroders Capital has c.£14 billion of private equity assets under management (as at 31 December 2023) and was awarded "Co-investor of the Year" at the RealDeals Private Equity Awards 2023.

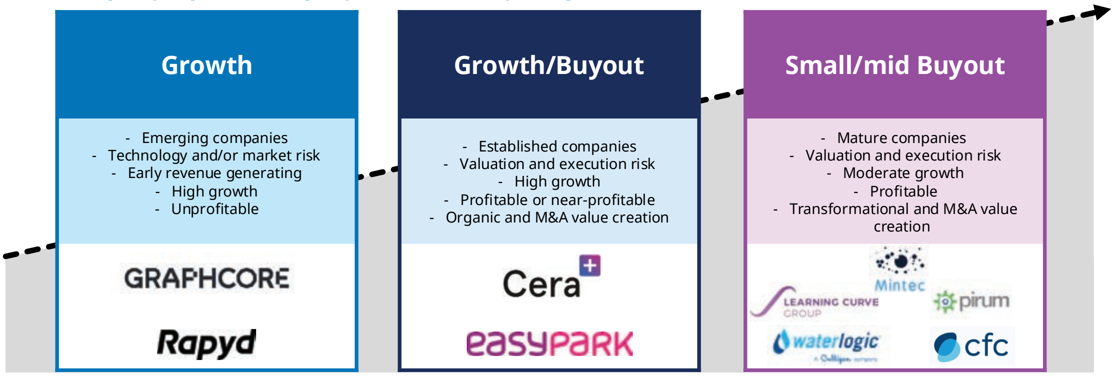
The Company does not invest in venture, large/mega buyout or turnaround companies as it believes such companies involve too much risk; in particular, late-stage venture and large/mega buyout companies have experienced the greatest volatility. One example was the increase in late-stage venture valuations in the dotcom boom which was followed by a significant drop (or bust) in 2003. A further example was seen in large/mega buyouts between 2006 and 2010, where an increase in valuations prior to the global financial crisis of 2008 was followed by a significant drop.



Source: Schroders. *Where we denote valuation risk as the risk around the perceived value of an underlying asset whereas investment risk encompasses a broader set of risks beyond valuation including but not limited to factors such as market dynamics, economic conditions and industry specific risks.

Investment Approach and Process
continued

The Company's private equity allocation by stage:



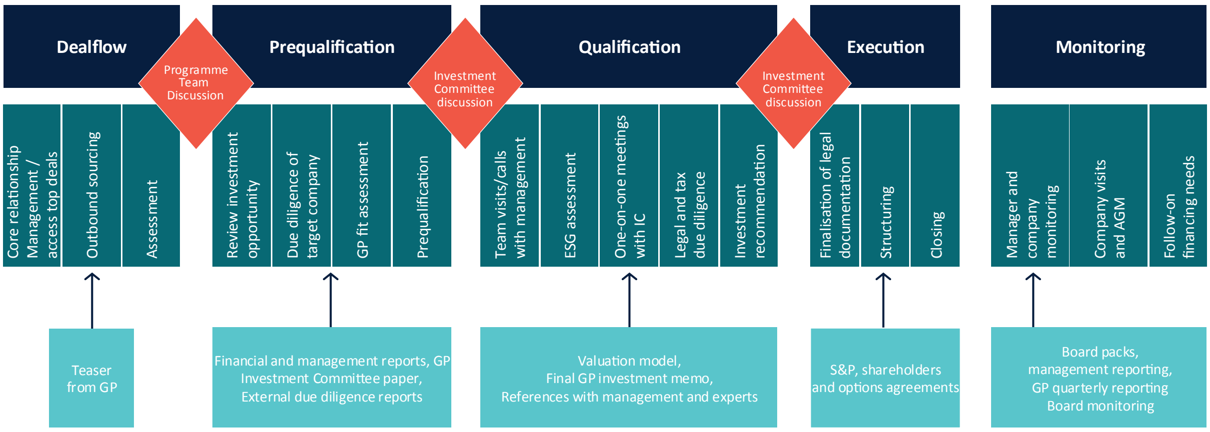
Source: Schroders.

Investment process

The Company's portfolio is managed by the Investment Managers, who employ a collaborative, team-based approach, creating a combination of Schroders' public and private equity capabilities with oversight in place. The Company believes that it is appropriate for the Portfolio Managers to separate the investment process between private and public equity investments to reflect the clear differences in executing individual investments in the private versus public equity markets. However, portfolio construction and first-line risk management are the joint responsibility of the private equity and public equity investment teams within the Investment Managers, alongside the Alternative Investment Fund Manager, who has responsibility for the risk management of the Company, delegated from the Board.

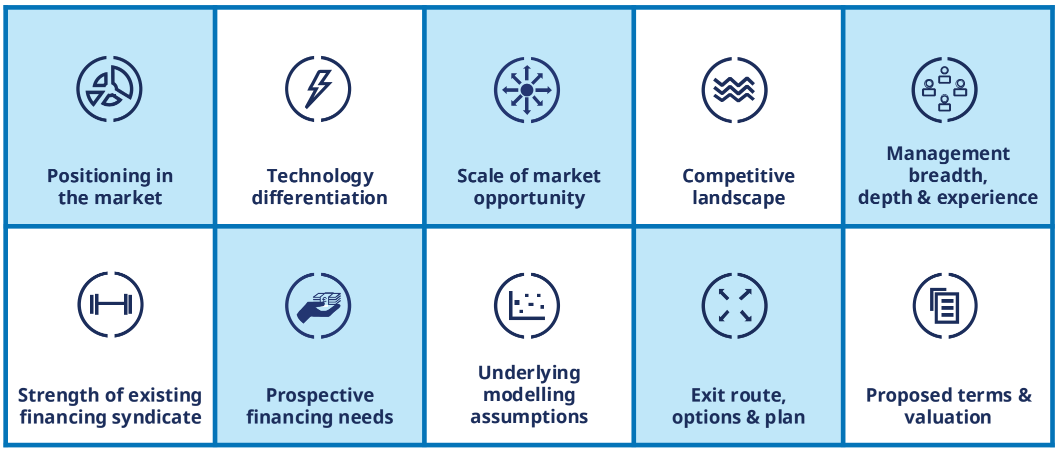
Private equity investment process

The private equity investment process is illustrated below.



The investment team believes that high-quality deal sourcing is fundamental to long-term success and spends considerable time on this activity by working closely with its extensive network of specialist GP relationships. Sourcing efforts are further enhanced by technology, including advanced proprietary tools, internal databases and third-party information services. An assessment of whether the investment opportunity meets the key criteria for inclusion in the Company is undertaken early to ensure a proposal is suitable and conforms to the investment policy and objectives.

The comprehensive due-diligence process undertaken will include an assessment of the following for a particular company:



Public equity investment process

The Investment Managers select public equity stocks for the Company based principally on ideas generated by Schroders' in-house research capability, but also by making selective use of Schroders' network of contacts, and of sell-side research.

The Investment Managers conduct an initial screen to narrow down the universe into high-growth names that have robust business models and are well-positioned to benefit from secular tailwinds. These companies are expected to be either at or near profitability and exhibit strong growth characteristics, such as increasing customer numbers or expanding market share. The universe is typically characterised by small and medium-sized businesses with a market capitalisation range between £50 million and £2 billion.

The management team actively seeks opportunities to exploit the 'growth gap' created by market inefficiencies that create significant disparities between underlying company fundamentals and market estimates. Inefficient markets tend to overlook future prospects, rely too heavily on extrapolating historical growth trends, and overreact to short-term news. This allows the team to invest in companies that demonstrate a positive growth gap along with catalysts that could lead to a re-rating of the shares, strong valuation support, attractive risk-reward profiles, and good governance.

The public equity stock selection process is outlined in the image below.

Public equity strategy

1 – Opportunity set

We screen for growth companies in the **UK[1]** that are listed on the FTSE AIM, FTSE Small Cap and FTSE 250 indices with a market cap range between **£50m and £2bn.**

2 – Identifying a Growth Gap

Market inefficiencies often drive material differences between underlying company fundamentals and market estimates (the '**Growth Gap**')

What we look for

- A robust business model with secular tailwinds driving growth
- A positive growth gap vs. consensus estimates
- An inflection point/catalyst that will lead to a re-rating of the shares
- Strong valuation support and an attractive risk-reward
- Good governance

3 – Exploiting 3 persistent inefficiencies

- Markets fail to look far enough ahead when appraising the earnings power of companies
- Markets extrapolate historic growth and fail to correctly interpret catalysts that change the trajectory of growth
- Markets over-react to short term news flow

Source: Schroders. [1]UK listed and/or UK domiciled companies. The 'company earnings' line in the graph represents the investment team's forecast (as opposed to the consensus estimates). The team base forecasts on expectations and beliefs and on reasonable assumptions within the bounds of what information is available at the time. However, there is no guarantee that any forecasts or opinions will be realised.

Public equity investments may include the following:

Primary equity through placings, rights issues or initial public offerings	**Secondary equity** utilising Schroders existing relationships and power of the brand	**Cornerstone equity investments** through direct corporate engagement and primary investment	**Partial underwriting of equity placings**	Working with Schroders' credit team to identify potentially attractive **convertible opportunities**

Top 10 Equity Investments

The Company's top 10 equity investment holdings as of 31 March 2024 are set out below, with overviews of each company and recent updates regarding their businesses set out on the subsequent pages.

Top 10 equity investments

Holding	Quoted/ unquoted	Fair value as of 31 March 2023 (£'000)	% of total equity investments	Fair value as of 31 March 2024 (£'000)	% of total equity investments
Mintec[1]	Unquoted	8,614	11.6	9,591	13.3
Cera EHP	Unquoted	6,986	9.5	8,046	11.1
Pirum Systems[1]	Unquoted	6,087	8.2	6,884	9.5
Rapyd Financial Network[1]	Unquoted	8,399	11.3	6,837	9.5
EasyPark[1]	Unquoted	4,492	6.1	6,171	8.5
CFC Underwriting[1]	Unquoted	4,098	5.5	5,661	7.8
Culligan[1]	Unquoted	5,053	6.9	5,585	7.7
Graphcore	Unquoted	1,778	2.4	2,533	3.5
Trainline	Quoted	1,408	1.9	2,097	2.9
Learning Curve[1]	Unquoted	2,455	3.3	1,556	2.2

Source: Schroders.

[1]The fair value disclosed for the following investments represents the Company's investment in an intermediary vehicle:
- Mintec held via Synova Merlin LP.
- Pirum Systems held via Bowmark Investment Partnership LP.
- Rapyd Financial Network held via Target Global Fund.
- EasyPark held via Purple Garden Invest (D) AB).
- CFC Underwriting held via Vitruvian Investment Partnership.
- Culligan held via EPIC-1b Fund.
- Learning Curve held via Agilitas Boyd 2020 Co-Invest Fund.

Mintec

(unquoted holding)

Leading provider of food-related commodity pricing and analytics, serving the global supply chain through its SaaS platform

Mintec enables the world's largest food and manufacturing brands to implement more efficient and sustainable procurement strategies. They do this through their cutting-edge Software as a Service platform, Mintec Analytics, which delivers market prices and analysis for thousands of commodities, food ingredients and associated materials. Their data and tools empower their customers to understand prices better, analyse their spend and negotiate with confidence.

Latest updates:

- The integration of Agribriefing, which Mintec acquired in 2023 to create a leading global provider of data on agricultural and food markets, has progressed well with the combination of their extensive, proprietary range of unique data and market intelligence.
- In terms of product development, Mintec has launched new algorithmic commodity price forecasts that cover 533 commodities, expanding clients' capabilities to understand future prices and inform their buying and investment decisions, while also enhancing Mintec's credentials as a leading data software business with growing capability in cutting-edge data science.
- Furthermore, the company has released version 4.5 of Mintec Analytics, its commodity price data and insights platform, which now provides clients with precise cost model forecasts to enhance their cost management strategies. The addition of this capability revolutionises how businesses navigate the impact of future market volatility on their costs, offering unparalleled precision in predicting and adapting their strategy to raw material price fluctuations.

Cera

(unquoted holding)

Europe's largest provider of digital-first home healthcare

Cera is Europe's largest provider of digital-first home healthcare. They are transforming healthcare by moving services such as care, nursing, telehealth and repeat medications out of hospitals and into people's own homes through technology. In combining pioneering technology with their community of professional carers and nurses, Cera are empowering people to live longer, better, healthier lives in their own homes.

Latest updates:

- During the 2023 winter period, Cera delivered 7.5 million home care visits (an important metric of progress), saving the NHS an estimated £100 million. In just seven years, the company has now delivered 50 million at-home patient visits.
- The company has continued to make product developments utilising artificial intelligence. A pilot of its fall prediction AI platform, which takes information about patients logged by carers on a smartphone app and assesses their risk of having a fall, demonstrated a 20% reduction in falls.
- Furthermore, Cera launched an AI scheduler platform that matches patients to community care up to 5x faster. The technology also pairs patients with carers to better suit their needs and reduces average carer travel time between patients by up to 50%.

Pirum

(unquoted holding)

A leading provider of post-trade automation and collateral management technology for the global securities industry

Pirum has created a set of award-winning, highly innovative and flexible services which are tailored to fully support the complexities of financial institutions around the world. Pirum provides a secure processing hub which seamlessly links market participants, allowing them to electronically process and verify key transaction details. Through easy integration with their services, Pirum's clients have increased processing efficiency, reduced operational risk and improved profitability by reducing manual processing.

Latest updates:

- Pirum has continued to make considerable strides with product development. A key milestone was the introduction of their Securities Financing Transactions Regulation (SFTR) solution, in collaboration with S&P Global Market Intelligence Cappitech. This service ensures compliance with SEC reporting requirements and enhances operational transparency. The new reporting solution, which has been adopted by over 150 institutions worldwide, leverages Pirum's existing connectivity with the securities finance, repo and collateral management ecosystems.
- Furthermore, Pirum launched a borrower automation solution, enabling full automation of the recall lifecycle with its first clients well ahead of the May 2024 deadline of T+1 settlement in the US, Canada and Mexico.
- Pirum also successfully tested a distributed ledger technology (DLT) extension of their securities lending and repo post-trade solution. This DLT innovation would aim to provide clients with a distributable golden-record of their trades.

Rapyd

(unquoted holding)

Integrates the world's many payment networks and technologies into a single platform

Rapyd is the fastest way to power local payments anywhere in the world, enabling companies across the globe to access markets quicker than ever before. By utilising Rapyd's payments network and Fintech-as-a-Service platform, businesses and consumers can engage in local and cross-border transactions in any market. The Rapyd platform is unifying fragmented payment systems worldwide by bringing together 900-plus payment methods in over 100 countries.

Latest updates:

- In July 2023, Rapyd announced the acquisition of a substantial part of PayU Global Payment Organisation for $610 million. The company expects the acquisition to provide a richer technology stack, expanded geographic licensing and broader market reach.
- The combined business is expected to deliver transactions in over 100 countries, service over 250,000 merchant clients globally and expand Rapyd's payments network to over 1,200 payment methods.

EasyPark
(unquoted holding)

Parking tech company that helps drivers to find, manage and pay for both parking and electric vehicle charging

EasyPark's technology supports its users, cities and parking operators with parking administration, planning and management. The company has a unique market coverage with presence in over 20 countries and more than 3,200 cities.

Latest updates:

- In November 2023, EasyPark announced its intention to acquire Flowbird Group, a global mobility player providing integrated parking and transportation solutions, as it continues its global growth strategy. The deal will extend EasyPark's global reach and be highly complementary to its existing business.
- Flowbird Group operates under the brands Flowbird, YourParkingSpace, TPARK, Extenso Cloud, and Yellowbrick and offers multiple mobility solutions, covering equipment and services such as pay and display machines, software, and park & charge. Flowbird Group also offers transportation solutions, both within ticketing and open payments for debit and credit cards, as well as mobile wallets.

CFC
(unquoted holding)

Technology-driven global insurance business

For over 20 years, CFC has built market-leading solutions to some of the insurance industry's biggest challenges. The company uses technology and data science to stay one step ahead. From developing cutting-edge insurance products, pioneering autonomous underwriting, deploying advanced threat intelligence, to offering unparalleled service to its partners and customers, CFC is re-imagining the world of specialist insurance.

Latest updates:

- In April 2024, CFC announced the acquisition of Australian managing general agent, Solution Underwriting, expanding its footprint in Australia. Solution is a specialist insurance underwriter with a focus on financial lines insurance products.
- In terms of product innovations, recent highlights have included the first ever embedded transaction liability insurance product and a groundbreaking carbon delivery insurance policy.
- CFC also announced a significant upgrade to its packed insurance policies for professional services businesses. With many SMEs buying a professional liability policy for the first time due to contractual obligations with their business partners, CFC's cyber add-on makes it easy for SMEs to also benefit from market-leading cyber protection at a price they can afford.

Culligan

(unquoted holding)

Water systems treatment company for homes and businesses across the globe

Culligan is an innovative brand in consumer-focused, sustainable water solutions and services. It was established in 1936 as a provider of water softening solutions for residences in Northbrook, Illinois, and has since grown to become a worldwide leader in water treatment needs, from the simplest filtration system to complex industrial water solutions.

Latest updates:

- Since its combination with UK-headquartered Waterlogic in 2022 to create a leader in clean and sustainable drinking water solutions and services, Culligan has made progress both operationally and through further acquisitions.
- In January 2024, Culligan announced the acquisition of the majority of Primo Water's businesses in EMEA, excluding those in the UK, Portugal and Israel. This transaction enhances the company's scale and capacity within the EMEA region, broadening its footprint in 12 countries where it already operates, while entering markets in Poland, Latvia, Lithuania and Estonia.

Graphcore

(unquoted holding)

Developer of new processors for machine intelligence

Graphcore has developed the Intelligence Processing Unit (IPU), a new type of microprocessor specifically designed from the ground up to meet the needs of current and next-generation artificial intelligence ("AI") applications. Graphcore's proprietary technology combines its advanced semiconductor hardware, the world's most complex processor, with its powerful software tools, to dramatically outperform legacy technologies such as graphic processing units.

Latest updates:

- Graphcore has continued to focus on developing its proprietary technology and expanding its partnerships.
- In July 2023, the company announced a partnership with cloud computing provider, Gcore, to open a new AI cloud cluster in Newport, Wales. Gcore is an international leader in public cloud and edge computing, content delivery, hosting, and security solutions. The cluster will increase the number of Graphcore Intelligent Processing Units (IPUs) available to Gcore customers. Since then, the offering has been extended into the US.

Trainline

(quoted holding)

Europe's leading independent rail platform

Trainline enable millions of travellers to seamlessly search, book and manage their journeys through their highly rated Trainline website, mobile app and B2B partner channels.

Latest updates:

- Trainline is a home-grown British tech success that has scaled beyond domestic borders to become Europe's most downloaded rail app.
- The company is growing strongly in the UK and across the continent, with international consumer net ticket sales of more than £1 billion (FY 2024).
- Growth is fastest in Spanish domestic travel, with market share continuing to rise on key routes like Madrid-Barcelona, which is the company's third most popular route across all countries, including the UK.

Learning Curve

(unquoted holding)

UK training and education specialist

Learning Curve works with further education providers, employers and learners to help them achieve success. Since 2004, the company has grown both organically and through acquisition to become one of the largest and most diverse providers in the country.

Latest updates:

- Learning Curve has made progress with product development in launching an AI-powered career planning platform (CareersPro) to support careers guidance, complementing the growth of the company's existing Ed-Tech solutions. CareersPro is designed to provide individuals, young or old, with the tools and resources to make informed choices about their education and career paths.

Investment Portfolio
as at 31 March 2024

Holding	Quoted/ unquoted	Country of incorporation (of underlying holding where applicable)	Industry Sector	Fair value £'000	Total investments %
Schroder Special Situations Fund Sterling Liquidity Plus	Quoted	Luxembourg	Collective – SICAV	10,795	13.0
Mintec[1]	Unquoted	United Kingdom	Software	9,591	11.6
Cera EHP S.à r.l.	Unquoted	United Kingdom	Health Care Technology	8,046	9.7
Pirum Systems[1]	Unquoted	United Kingdom	Software	6,884	8.3
Rapyd Financial Network[1]	Unquoted	United Kingdom	IT Services	6,837	8.2
EasyPark[1]	Unquoted	Sweden	Software	6,171	7.4
CFC Underwriting[1]	Unquoted	United Kingdom	Insurance	5,661	6.8
Culligan (formerly Waterlogic)[1]	Unquoted	United Kingdom	Diversified Consumer Services	5,585	6.7
Graphcore	Unquoted	United Kingdom	Semi-conductors & Equipment	2,533	3.0
Trainline	Quoted	United Kingdom	Hotels, Restaurants & Leisure	2,097	2.5
Learning Curve[1]	Unquoted	United Kingdom	Diversified Consumer Services	1,556	1.9
Dalata Hotel	Quoted	Ireland	Hotels, Restaurants & Leisure	1,501	1.8
SSP	Quoted	United Kingdom	Hotels, Restaurants & Leisure	1,443	1.7
Trustpilot	Quoted	United Kingdom	Interactive Media & Services	1,378	1.7
Volution	Quoted	United Kingdom	Building products	1,376	1.7
Watches of Switzerland	Quoted	United Kingdom	Specialty Retail	1,326	1.6
Discoverie	Quoted	United Kingdom	Electrical Equipment	1,183	1.4
GB	Quoted	United Kingdom	Software	1,058	1.3
OSB	Quoted	United Kingdom	Financial Services	1,053	1.3
On the Beach	Quoted	United Kingdom	Hotels, Restaurants & Leisure	919	1.1
Judges Scientific	Quoted	United Kingdom	Machinery	899	1.1
Ascential	Quoted	United Kingdom	Media	849	1.0
MaxCyte	Quoted	United States	Life Sciences Tools & Services	799	1.0
Learning Technologies	Quoted	United Kingdom	Professional Services	655	0.8
Bytes Technology	Quoted	United Kingdom	Software	641	0.8
Sosandar	Quoted	United Kingdom	Textiles, Apparel & Luxury Goods	594	0.7
Mobico	Quoted	United Kingdom	Ground Transportation	516	0.6
Luceco	Quoted	United Kingdom	Electrical Equipment	513	0.6
Victorian Plumbing	Quoted	United Kingdom	Specialty Retail	362	0.4
Invinity Energy Systems	Quoted	Jersey	Electrical Equipment	147	0.2
Lendinvest	Quoted	United Kingdom	Financial Services	124	0.1
Total investments[2]				**83,092**	**100.0**

[1] **The fair value disclosed for the following investments represents the Company's investment in an intermediary vehicle:**
Mintec (held via Synova Merlin LP)
Rapid Financial Network (held via Target Global Fund)
Pirum Systems (held via Bowmark Investment Partnership LP)
Culligan (held via Epic-1b Fund)
EasyPark (held via Purple Garden Invest (D) AB)
CFC Underwriting (held via Vitruvian Investment Partnership LLP)
Learning Curve (held via Agilitas Boyd 2020 Co-invest Fund)

[2] **Total investments comprise:**

	£'000	%
Unquoted	52,864	63.6
Quoted on FTSE 250	11,862	14.3
Collective investment scheme – money market instruments	10,795	13.0
Listed on AIM	4,638	5.6
Quoted on FTSE Allshare	1,432	1.7
Listed on a recognised stock exchange overseas	1,501	1.8
Total	**83,092**	**100.0**

Purpose, values and culture

Purpose

The Company's purpose is to provide all investors with access to high quality public and private equity companies focused on sustainable growth, resulting in long-term shareholder value, in line with the investment objective. The Board's focus is on long-term growth rather than providing shareholders with dividend income.

Values

The Company's culture is driven by its values: excellence, integrity and transparency, with collegial behaviour and constructive, robust challenge. The values are all centred on achieving returns for shareholders in line with the Company's investment objective. As the majority of the Directors are shareholders in the Company, the Directors' interests are aligned with those of other shareholders in this regard. The Board is responsible for promoting strong relationships with the Manager and other service providers, as well as maintaining constructive relationships with shareholders, in order to promote their best interests.

Culture

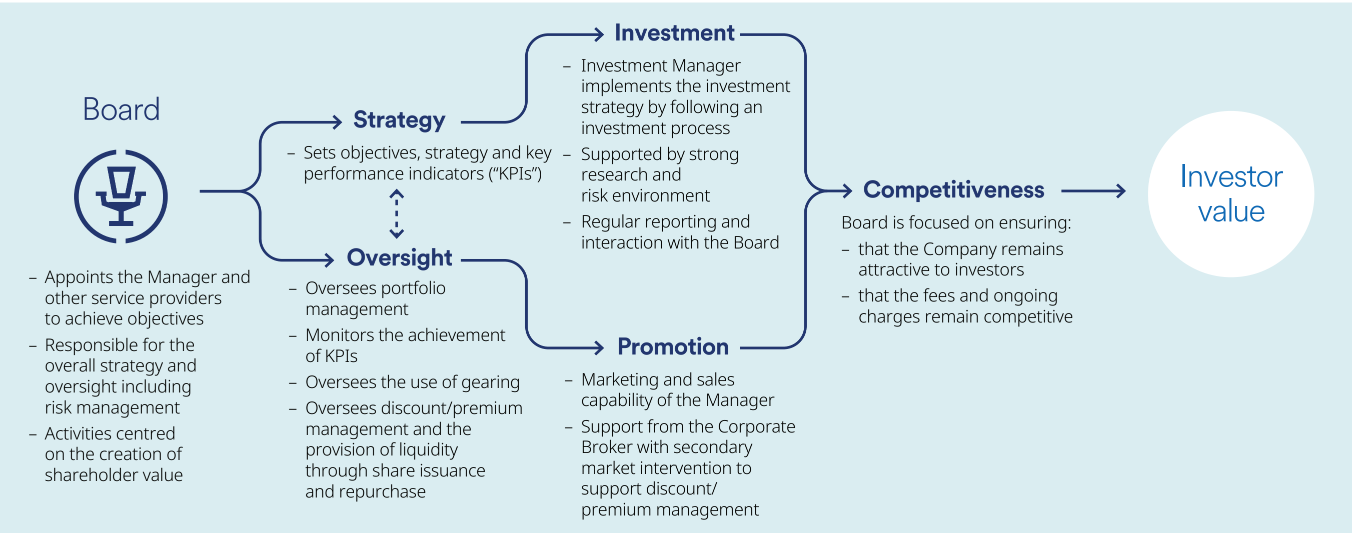
The Board is committed to encouraging and actively creating a culture that is responsive to the views of shareholders and its wider stakeholders. As the Company has no employees and acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates. The Board encourages a culture of constructive challenge with all key suppliers and transparency with all stakeholders. The Board is responsible for embedding the Company's culture in its operations.

The Board engages with its outsourced service providers to safeguard the Company's interests and ensure our service providers meet the standards expected by the Company. As part of this ongoing monitoring, the Board receives reporting from its service providers with respect to their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; diversity policies; and greenhouse gas and energy usage reporting, to ensure they are in line with expectations.

Business model

The Company is a listed investment trust, that has outsourced its operations to third party service providers. The Company's strategy is to meet its investment objective to deliver long-term returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK companies. The Articles of Association of the Company require the Directors to put forward, at a general meeting of the Company to be held in the year 2028 but in any event no later than 31 May 2028, a winding-up resolution to place the Company into voluntary liquidation, unless alternative proposals have been approved by shareholders.

The Board has appointed the Manager, Schroder Unit Trusts Limited, to implement the investment strategy and to manage the Company's assets in line with the appropriate restrictions placed on it by the Board, including limits on the type and relative size of holdings which may be held in the portfolio and on the use of gearing, cash, derivatives and other financial instruments as appropriate. The terms of the appointment are described more completely in the Directors' Report including delegation to the Investment Managers. The Manager also promotes the Company using its sales and marketing teams. The Board and Manager work together to deliver the Company's investment objective, as demonstrated in the diagram below.



Investment trust status

The Company carries on business as an investment trust. Its shares are listed and admitted to trading on the premium segment of the main market of the London Stock Exchange. It has been approved by HM Revenue & Customs as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010, by way of a one-off application and it is intended that the Company will continue to conduct its affairs in a manner which will enable it to retain this status.

The Company is domiciled in the UK and is an investment company within the meaning of section 833 of the Companies Act 2006. The Company is not a "close" company for taxation purposes.

Investment model

Investment objective

The Company's investment objective is to deliver long-term total returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK Companies.

Investment policy

The Company will invest in a diversified portfolio of both public equity investments and private equity investments consisting predominantly of UK Companies with strong long- term growth prospects.

It is anticipated that the Company's portfolio will typically consist of 30 to 50 holdings and will target companies with an equity value between approximately £50 million and £2 billion at the time of initial investment.

The Company will focus on companies which the Portfolio Managers consider to be sustainable from an environmental, social and governance perspective, supporting at least one of the goals and/or sub-goals of the United Nations' SDGs, or which the Portfolio Managers consider would benefit from their support in helping them incorporate SDGs into their business planning and/or in reporting their alignment with SDGs.

The Company may, from time to time, use borrowings for investment and efficient portfolio management purposes. Gearing will not exceed 10% of Net Asset Value, calculated at the time of drawdown of the relevant borrowing.

In accordance with its investment objective, the Company invests in a diversified portfolio with the aim of spreading investment risk, which is monitored by the Board and the Manager.

The key restrictions imposed on the Manager, at the time of committment, are that:

(a) no more than 10% of NAV may be invested in any investee company;

(b) the Company's portfolio shall comprise no fewer than 30 holdings;

(c) no more than 20% of NAV may be invested in investee companies which are not UK Companies;

(d) the Company may not take a controlling stake in any investee company, whether directly or indirectly, and:
   - in respect of public equity investments, the Company may own no more than 10% of the total voting rights of any investee company;
   - in respect of private equity investments, the Company may own no more than 20% of the enterprise value of any investee company; and

(e) the Company will not invest more than 10% in aggregate of gross assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds. Additionally, the Company will itself not invest more than 15% of its gross assets in other investment companies or investment trusts which are listed on the Official List.

As set out on page 22, the investment portfolio comprised 31 holdings at 31 March 2024. The largest holding in an investee company was Mintec at 11.6%. The Company currently holds most of its liquid assets in the Schroder Special Situation Fund Sterling Liquidity Plus, which represented 13% of total investments at 31 March 2024.

Key Performance Indicators ("KPIs")

The Board reviews performance, using a number of key measures, to monitor and assess the Company's success in achieving its objective. Further comment on performance can be found in the Chairman's statement. The following KPIs are used:

- NAV performance;
- Share price discount and premium;
- Share price total return; and
- Ongoing charges ratio.

Some KPIs are Alternative Performance Measures.

Further details can be found on the inside cover and page 1 and definitions of these terms on pages 80 and 81.

NAV performance

The Directors regard the Company's NAV performance as being the overall measure of value, delivered to shareholders over the long-term. The Company's NAV per share at 31 March 2024 was 110.05p (31 March 2023:107.32p). During the year the Company's NAV per share rose by 2.5%. Since IPO the NAV per share has increased by 12.3%. A full description of performance during the year under review is contained in the Investment Managers' Review.

Share price discount and premium

The Board recognises that it is in the interests of shareholders to maintain a share price as close as possible to the NAV per share, whilst acknowledging the challenge this brings to a Company with a substantial portfolio of unquoted investments. The Board regularly reviews the level of discount/premium of the Company's share price to the net asset value per share and considers ways in which share price performance may be enhanced, including the effectiveness of share buy-backs, where appropriate. The discount at which the Company's shares traded to NAV improved by 8.4 percentage points during the year from 36.2% at 31 March 2023 to 27.8% at 31 March 2024.

Share price total return

The Directors also regard the Company's share price total return to be a key indicator of performance. This reflects share price growth of the Company which the Board recognises is important to investors. During the year the Company's share price increased by 16.1% from 68.50p at 31 March 2023 to 79.50p at 31 March 2024.

Ongoing charges

The Company monitors operating expenses on a regular basis. The ongoing charges at 31 March 2024 were 1.40% (31 March 2023: 1.47%). The calculation is shown in the definition of terms and performance measures on page 81. The Board seeks to manage and where possible to improve the ongoing charges ratio and to this end the Management Engagement Committee regularly reviews its service provider fee rates.

Promotion

The Company promotes its shares to a broad range of investors including discretionary wealth managers, private investors, financial advisers and institutions which have the potential to be long-term supporters of the investment strategy. The Company seeks to achieve this through its Manager and Corporate Broker, which promote the shares of the Company through regular contact with both current and potential shareholders.

These activities consist of investor lunches, one-on-one meetings, regional road shows and attendance at conferences for professional investors. In addition, the Company's shares are supported by the Manager's wider marketing of investment companies targeted at all types of investors. This includes maintaining close relationships with adviser and execution-only platforms, advertising in the trade press, maintaining relationships with financial journalists and the provision of digital information on Schroders' website. The Board also seeks active engagement with investors, and meetings with the Chairman are offered to investors when appropriate.

Shareholders are encouraged to sign up to the Manager's Investment Trusts update, to receive information on the Company directly https://www.schroders.com/en-gb/uk/individual/never-miss-an-update/.

Stakeholder engagement

Section 172 of the Companies Act 2006

During the year, the Board discharged its duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of its stakeholders. The Board has identified its key stakeholders as the Company's shareholders, the Investment Manager, other service providers and the investee companies. The Board takes a long-term view of the consequences of its decisions, and aims to maintain a reputation for high standards of business conduct and fair treatment among the Company's shareholders. The Board notes that the Company has no employees and the impact of its own operations on the environment and local community is through the impact its service providers or investee companies have.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Directors explain below how they have individually and collectively discharged their duties under section 172 of the Companies Act 2006 over the course of the year and key decisions made during the year and related engagement activities.

Stakeholder	Significance	Engagement	2023/24 application
Shareholders	Regular communication with existing and prospective shareholders ensures that the Board is cognisant of investor priorities and addresses any concerns raised. Clear communication of the Company's strategy and performance against its investment objective can help maintain demand for the Company's shares and promote an investor base that is interested in a long-term holding in the Company.	– **AGM:** The Company welcomes attendance and participation from shareholders at the AGM. Shareholders have the opportunity to meet the Directors and the Investment Manager and ask questions at the AGM. The Board values the feedback it receives from shareholders which is incorporated into Board discussions. – **Publications:** The annual and half year results presentations are available on the Company's web pages with their availability announced via the London Stock Exchange. Daily and quarterly NAV updates are issued to provide shareholders with transparent information on the Company's portfolio. Feedback and/or questions received from shareholders enable the Company to evolve its reporting which, in turn, helps to deliver transparent and understandable updates. – **Shareholder communication:** The Manager communicates with shareholders periodically. All investors are offered the opportunity to meet the Chairman, Senior Independent Director, or other Board members without using the Manager or Company Secretary as a conduit, by writing to the Company's registered office. The Board also corresponds with shareholders by letter and email. The Board receives regular feedback from its Broker on investor engagement and sentiment. – **Investor Relations updates:** At every Board meeting, the Directors receive updates on share trading activity, share price performance and any shareholders' feedback, as well as any publications or comments in the press. To gain a deeper understanding of the views of its shareholders and potential investors, the Investment Manager also undertakes investor roadshows throughout the year.	The AGM was held in person in 2023 and the Board, along with the Investment Manager, look forward to meeting and interacting with shareholders at the forthcoming AGM in September 2024. The Company's web pages host the annual and half year reports. The Company publishes quarterly fact sheets which are available on the Company's web pages along with the opportunity to view past webinars and sign up to receive a newsletter to receive regular updates on the Company. The Chairman of the Board met with its major shareholders during the year and since the year end. Their views were taken into consideration as part of the Board's duty to ensure their interests were taken into account. The Investment Manager engaged with a number of its investors during the year and regular feedback was provided to the Board. A number of promotional activities were undertaken during the year including Investment Manager interviews, a capital markets event, webinars and coverage in key publications. The Board continued to work with Kepler on promoting the Company through its research notes which are published twice a year (following the publication of the Company's half year and annual results).

Stakeholder	Significance	Engagement	2023/24 application
The Investment Manager	The Investment Manager is the most significant service provider of the Company, and a description of its role can be found in the Investment Manager's Review on pages 6 to 12. The Investment Manager's performance is critical for the Company to deliver its investment strategy successfully and meet its objective to achieve long-term capital growth through investing in a diversified global portfolio of private and public equity companies. Engagement with the Company's Investment Manager is necessary to review whether it is achieving the Company's objectives and adhering to the Company's policies and to understand the risks and opportunities.	The Investment Manager attends all Board and certain Committee meetings in order to update the Directors on the performance of the investments and the implementation of the investment strategy and objective. Important components in the Board's collaboration with the Investment Manager are: – Encouraging open discussion with the Investment Manager; – Recognising that the interests of shareholders and the Investment Manager (as well as of its other clients) are, for the most part aligned, adopting a tone of constructive challenge, balanced when those interests are not fully congruent by robust negotiation of the Investment Manager's terms of engagement; and – Drawing on Directors' individual experience to support the Investment Manager by holding it to account regarding investment strategy, and challenging where necessary.	Representatives of the Portfolio Manager, including at least one of the portfolio managers, attended each Board meeting to provide an update on the investment portfolio along with presenting on macro-economic issues. The Board held a strategy session at which the Board and Investment Manager discussed key issues outside the normal Board reporting framework. The Management Engagement Committee reviewed the performance of the Manager, its remuneration and the discharge of its contractual obligations.
Other service providers	In order to operate as an investment trust with a premium listing on the London Stock Exchange, the Company relies on a diverse range of advisers and outsourced service providers. To ensure the smooth operation of the Company, the Board engages with key service providers to ensure they are delivering their services in line with their contractual obligations.	The Board maintains regular contact with its key external providers, both through the Board and Committee meetings, where service providers are periodically invited to attend, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views, are routinely taken into account and the need to foster business relationships with key service providers is central to Directors' decision-making as the Board of an externally managed investment trust.	The Board engaged regularly with service providers as well as carrying out a review of the service providers' business continuity plans and additional cyber security provisions. Under delegated authority from the Board, the Management Engagement Committee reviewed all material third party service providers and their fees. The Board considered the ongoing appointments and fees of its service providers to be in the best interests of the Company and its shareholders as a whole and will continue to monitor their progress in the year ahead. The Directors were invited to attend an internal controls briefing session which assessed the internal controls of certain key service providers including the Company's Depositary and Custodian, HSBC, the Company's Registrar, Equiniti, and Schroders Group Internal Audit.

Stakeholder	Significance	Engagement	2023/24 application
Investee companies	The Investment Manager focuses on investing in those companies it believes can compound in value over the long term. As an investment trust with no trading activity and an outsourced business model, the Company has no direct social, community or environmental responsibilities, however, the Board monitors activities of investee companies through its delegation to the Investment Manager.	The Investment Management team conducts face-to-face and/or virtual meetings with the management teams of all investee companies to understand current trading and prospects for their businesses, and to ensure that their investment principles and approach are understood. The Investment Manager has discretionary powers to exercise the Company's voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Investment Manager report to the Board on stewardship (including voting) issues and the Board will question the rationale for voting decisions made. By active engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability.	The Board received regular updates on engagement with investee companies from the Investment Manager at its Board meetings. During the year, the Investment Manager engaged with many of its investee companies and voted at shareholder meetings.

Examples of stakeholder consideration during the year

The Directors were particularly mindful of stakeholder considerations in reaching the following key decisions during the year ended 31 March 2024:

- the Board and Management Engagement Committee undertook reviews of the Investment Manager and the Company's third-party service providers and agreed that their continued appointment and fees remained in the best interests of the Company and its shareholders.
- the Board continued to consider Board succession planning and undertook a recruitment process, subsequent to year-end. Since the retirement of Christopher Keljik, the Board has operated with three Directors. However, as set out in the Chairman's statement, Neil England intends to step down at the AGM and the Board agreed that it would like to build Board strength back up to four. Two Directors were appointed in July 2024 and are being put forward for election at the upcoming AGM. The appointments broaden the Board's composition and it is intended that Justin Ward will replace Neil England as Chairman.
- The Board decided to form a new Valuations Committee. This decision recognised the importance of the Board's oversight role on valuations and the need for shareholders to have confidence in the outcomes.

Responsible investment

The Manager is compliant with the UK Stewardship Code and its application with the principles therein is reported on its website: www.schroders.com/en/about-us/corporate-responsibility/sustainability/interpret/.

Corporate and social responsibility

The Board recognises the Company's duty with respect to corporate and social responsibility and engages with its outsourced service providers and other stakeholders to safeguard the Company's interests. As part of this ongoing monitoring, the Board receives reports from its service providers with respect to their diversity policies; anti-bribery and corruption policies; Modern Slavery Act 2015 statements; financial crime policies; and greenhouse gas and energy usage reporting.

Diversity policy

The Board has adopted a diversity and inclusion policy which seeks to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Board recognises the value of diversity and when considering new appointments, the Board endeavours to ensure that it has the capabilities required to be effective and oversee the Company's strategic priorities. This includes an appropriate range, balance and diversity of skills, experience and knowledge. The Company is committed to ensuring that any vacancies arising are filled by the best qualified candidates and appointments will always be made on merit alone.

Statement on Board diversity – gender and ethnic background

The Board has made a commitment to consider diversity when reviewing the composition of the Board and notes the Listing Rules requirements (LR 9.8.6R(9) and (11)) regarding the targets on Board diversity:

- at least 40% of individuals on the Board are women;
- at least one senior Board position is held by a woman; and
- at least one individual on the Board is from a minority ethnic background.

The FCA defines senior Board positions as Chairman, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") or Senior Independent Director ("SID"). As an investment trust with no executive officers, the Company has no CEO or CFO. The Board has reflected the senior positions of the Chairman of the Board and the SID in its diversity tables below.

The Board has chosen to align its diversity reporting reference date with the Company's financial year end and proposes to maintain this alignment for future reporting periods. The following information has been provided by each Director through the completion of a questionnaire.

As at 31 March 2024, the Company met one of the three criteria for at least one senior Board position to be held by a woman. The target in relation to the number of women on the Board has now been addressed with the appointment of Jemma Bruton. The target for at least one individual on the Board to be from a minority ethnic background was not met and the Board is conscious that while the Directors are all independent and have a diverse range of views and experience, its small composition will make these targets challenging to fully implement.

The below tables set out the gender and ethnic diversity composition of the Board as at 31 March 2024.

Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	2	66.66	1
Women	1	33.33	1
Not specified/prefer not to say	–	–	–

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority-white groups)	3	100	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

Since the end of the period two Directors have been appointed and information on their gender and ethnic diversity will be included in the next annual report and financial statements.

Financial crime policy

The Company continues to be committed to carrying out its business fairly, honestly and openly operates a financial crime policy covering bribery and corruption, tax evasion, money laundering, terrorist financing and sanctions, as well as seeking confirmations that the Company's service providers' policies are operating soundly.

Modern Slavery Act 2015

As an investment trust, the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015.

Climate

Greenhouse gas emissions and energy usage

As the Company outsources its operations to third parties, it consumed less than 40,000 kWh during the year and so has no greenhouse gas emissions, energy consumption or energy efficiency action to report.

Taskforce for Climate-Related Financial Disclosures ("TCFD")

The Company, as an investment trust, is exempt from the requirement to report against TCFD regulation. However, the Company's Investment Manager produces an annual product level disclosure consistent with the TCFD. This can be found here: https://mybrand.schroders.com/m/44863c680e83c467/original/TCFD-GB97406M-Schroder-British-Opportunities-Trust-20231231.pdf.

Principal and emerging risks and uncertainties

The Board, through its delegation to the Audit and Risk Committee, is responsible for establishing a process for identifying, managing and monitoring emerging and principal risks of the Company and monitoring the Company's financial internal control systems. The Board has adopted a detailed matrix of principal risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis. This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. The above is considered noting that the Company has no employees and has delegated all operations to third party service providers.

Risk assessment and internal controls review by the Board

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit and Risk Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition. The internal control environment of the Manager, the Depositary and the Registrar are tested annually by independent external auditors. The reports are reviewed by the Audit and Risk Committee.

Although the Board believes that it has a robust framework of internal control in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk. Actions taken by the Board and, where appropriate, its Committees, to manage and mitigate the Company's principal and emerging risks and uncertainties are set out in the table below.

Both the principal and emerging risks and uncertainties and the monitoring system are subject to assessment at least annually. The last assessment took place in February 2024.

During the year, the Board discussed and monitored a number of risks that could potentially impact the Company's ability to meet its strategic objectives. The Board receives updates from the Investment Manager, Company Secretary and other service providers on emerging risks that could affect the Company. The Board was mindful of the evolving global environment during the year; and the risks posed by volatile markets; geopolitical uncertainty; and inflation and interest rates levels which could affect the asset class. However, these are not factors which explicitly impacted the Company's performance.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment throughout the financial year and up to the date of this report. Having received the relevant reports, the Board is satisfied that the internal controls operated by the Company's service providers are operating effectively.

Actions taken by the Board and, where appropriate, its Committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below. The "Change" column on the right highlights at a glance the Board's assessment of any increases or decreases in risk during the year after mitigation and management. The arrows show the risks as increased, decreased, or unchanged.

Risk	Mitigation and management	Change
Strategic		
Investment objective and promotion The Company's investment objective may become out of line with the requirements of investors, or the Company's investment strategy may not be sufficiently differentiated from other products resulting in the Company being subscale and shares trading at a discount.	The appropriateness of the Company's investment remit is regularly reviewed and the Board monitors the success of the Company in meeting its stated objectives.	
Company lifespan The Articles of Association of the Company require the Directors to put forward, at a general meeting of the Company to be held in the year 2028 but in any event no later than 31 May 2028, a winding-up resolution to place the Company into voluntary liquidation, unless alternative proposals have been approved by shareholders. In the event that no alternative proposals are put forward to shareholders, or such proposals are not approved by shareholders, the Company will commence winding up in 2028. It could take several years until all of the Company's private equity investments are disposed of and any final distribution of proceeds made to shareholders.	The private equity Investment Managers have extensive experience and a track record of accurately timing the exits of private equity investments. The Board will ensure that any alternative proposals to be made to shareholders are put forward at an appropriate time.	

Risk	Mitigation and management	Change
Market		
Market volatility Underlying investee companies within the Company's portfolio may experience fluctuations in their operating results due to fluctuations in the market or general economic conditions (including changes to interest rates, inflation, geopolitical and ESG related regulations, including those related to climate change). These would in turn affect the performance of the Company. In addition, market pricing risk can affect the valuation of both the Company and investee company share prices.	The Investment Managers adopt an active management approach and focus on sustainable businesses capable of generating long-term returns for shareholders. The Board receives quarterly reports from the Investment Managers on the performance of the Company's investments and the market outlook.	
Regulatory		
Change of regulation The Company benefits from the current exemption for investment trusts from UK tax on chargeable gains. Any change to HMRC's rules or taxation of investee companies could affect the Company's ability to provide returns to shareholders.	The Board and Manager monitor proposed changes to tax rules and report to the Board thereon.	
Investment		
Valuation Private equity investments are generally less liquid and more difficult to value than publicly traded companies. A lack of open market data and reliance on investee company projections may also make it more difficult to estimate fair value on a timely basis. Failure by the Company to disclose how the investment process integrates consideration of ESG factors (including climate change) could lead to potential valuation issues in the underlying investee companies.	Contracts are drafted to include obligations to provide information with regard to investee companies in a timely manner, where possible. The Manager has an extensive track record of valuing privately held investments. The Valuations Committee reviews all valuations of unquoted investments on a quarterly basis and the Audit and Risk Committee challenges methodologies used by the Investment Managers. The consideration of ESG factors (including climate change) is integrated into the investment process and reported at Board meetings.	
Liquidity Liquidity risks include those risks resulting from holding private equity investments as well as not being able to participate in follow-on fundraises through lack of available capital which could result in dilution of an investment.	Concentration limits are imposed on single investments to minimise the size of positions. The Investment Managers consider liquidity risk when selecting investments. The Investment Managers will seek to manage cashflow such that the Company will be able to participate in follow up fundraisings where appropriate. The Board receives quarterly reports from the Manager on the portfolio's liquidity.	
NAV discount The Company's shares may not trade in line with NAV, depending on factors such as supply and demand for the Company's shares, market conditions and general investor sentiment. The operation of the Company's policy to manage any discount could result in the Company's operating charges ratio becoming excessive.	The Board monitors the NAV and receives regular updates. Although the Company has not bought-back any shares during the period the Board does have a discount/premium policy and considers whether share buy-backs would be for the benefit of the Company as a whole including its shareholders. In order to consider a buy-back the Board would need to take into account relevant factors and circumstances at the time. The Board monitors marketing and distribution activity regularly.	

Risk	Mitigation and management	Change
Investment		
Key person The Company's investment portfolio is managed by the Portfolio Managers and, in particular, is led by four key individuals. Loss of an Investment Manager could affect performance and market sentiment leading to a widening discount of the share price compared with the NAV.	The Board regularly considers key man risk and seeks assurances concerning the depth of expertise of the investment management teams which manage the Company's portfolio. The Board receives assurances from the Manager regarding the Investment Manager's incentive arrangements and succession planning.	⇔
Operational		
Reliance on service providers The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third-party service providers. Failure of any of the Company's service providers to perform in accordance with the terms of its appointment, to protect against breaches of the Company's legal and regulatory obligations such as data protection, or to perform its obligations at all as a result of insolvency, fraud, breaches of cyber security, failures in business continuity plans or other causes, could have a material detrimental impact on the operation of the Company. The AIFM, the Investment Managers, the Depositary, the Company Secretary and the Administrator perform services that are integral to the operation of the Company and any of the Company's service providers could terminate their contract.	Experienced third party service providers are employed by the Company under appropriate terms and conditions and with agreed service level specifications. Service level agreements include clauses which set out the notice periods for termination. The Board receives regular reports from its service providers and the Management Engagement Committee reviews the performance of key service providers at least annually. The Audit and Risk Committee reviews reports on the external audits of the internal controls of certain key service providers.	⇔

Viability statement

The Directors have assessed the viability of the Company over the five year period ending 31 March 2029, taking into account the Company's position at 31 March 2024 and the potential impact of the principal risks and uncertainties it faces for the review period. This is further detailed in the Chairman's Statement, Investment Manager's Review and principal risks and uncertainties sections of this report. The Board believes that a period of five years reflects a suitable time horizon for strategic planning, the investment cycle of private equity and the longer-term view taken by the Investment Managers and investors; this period is in line with the Company's Key Information Document. If no alternatives are proposed a resolution to wind up the Company is required to be put to shareholders before 31 May 2028. However, there is no expectation that alternative proposals regarding the continuation of the Company will not be put forward to shareholders, or such proposals will not be approved by shareholders in 2028.

In line with FRS102, investments are valued at fair value, which for the Company are quoted bid prices for investments in active markets at the statement of financial position date and therefore reflect market participants' views of emerging risks on the investments held. For private equity valuations, market comparables are used which take into account the risks affecting similar investments.

As an investment trust, the Company is entitled to beneficial treatment with regard to chargeable gains. Any change to such taxation arrangements could affect the Company's viability as an effective investment vehicle. In their assessment of the prospects for the Company over the next five years, the Directors have assumed that the Company will continue to adopt the same investment objective, that the Company's performance will continue to be attractive to shareholders and that the Company will continue to meet the requirements so as to retain its status as an investment trust.

The Directors have considered each of the Company's principal risks and uncertainties detailed on pages 29 to 31. The Directors have also considered a significant fall in equity markets on the value of the Company's investment portfolio. The Directors have, furthermore, considered the Company's projections of income and expenditure as well as any commitments to provide funding to investee companies. They have noted that the Company's investment portfolio will continue to comprise a significant proportion of highly liquid listed equities which can be readily realised and that a substantial proportion of the Company's operating expenses vary with the value of the investment portfolio. As stated in the Going Concern statement, the Company is a closed-end investment trust and there is no requirement to redeem or buy back shares. A stress test to evaluate the consequences of a 50% reduction in the market value of the Company's investments over the five year period has also been evaluated.

Having considered all the Company's resources, strategy, risks and probabilities, the Board has a reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due, over the next five years.

Going concern

The Directors have assessed the principal risks and uncertainties (including whether there were any emerging risks) and the matters referred to in the viability statement. The Directors have considered the liquidity of the Company's portfolio of listed investments, the Company's cash balances and the forecast income and expenditure flows as well as commitments to provide further funding to the Company's private equity investee companies; the Company currently has no borrowings. A substantial proportion of the Company's expenditure varies with the value of the investment portfolio. In the event that there is insufficient cash to meet the Company's liabilities, one option would be to liquidate the listed investments in the portfolio and the Directors have reviewed the average days to liquidate the listed investments.

Based on the work the Directors have performed, they 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 31 July 2025 which is at least 12 months from the date the financial statements are authorised for issue.

By order of the Board

Schroder Investment Management Limited
Company Secretary

10 July 2024

Governance

Governance

Board of Directors

Neil England

Status: Independent non-executive Chairman and Chairman of the Nomination Committee

Length of service: appointed as a Director and Chairman in November 2020.

Experience: Neil has held a number of leadership roles in various sectors including food, FMCG (fast moving consumer goods), distribution, technology and financial services. Neil was Vice President of Mars Incorporated; Group Chief Executive at The Albert Fisher Group Plc and Group Commercial Director at Gallaher Group plc. Neil has been Chairman of a number of companies including ITE Group plc, BlackRock Emerging Europe Plc and six private businesses. He is currently the Chairman of Augmentum Fintech plc (a specialist venture capital investment company) and a non-executive Director of a private equity backed leisure business.

Neil has extensive international business expertise in public and private companies varying in size from start-ups to global corporations. He is an experienced Chairman. Neil remained free from conflict and had sufficient time available to discharge his duties effectively.

Committee membership: Audit and Risk, Management Engagement, Valuations, and Nomination (Chairman) Committees.

Current remuneration: £44,500 per annum.

Number of shares held: 55,000

Diana Dyer Bartlett

Status: Senior Independent non-executive Director and Chairman of the Audit and Risk Committee

Length of service: appointed as a Director in November 2020.

Experience: After qualifying as a chartered accountant with Deloitte Haskins & Sells, Diana spent five years in investment banking with Hill Samuel. Since then she has held a number of executive roles including as finance Director of various venture capital and private equity backed businesses and listed companies involved in software, financial services, renewable energy and coal mining. She was also Company Secretary of Tullett Prebon plc and Collins Stewart Tullett plc. Diana is currently Chairman of Smithson Investment Trust plc and Audit Committee Chairman of Mid Wynd International Investment Trust plc.

Diana has a strong financial background and her experience with both listed and unlisted companies makes her a valuable member of the Board. Diana remained free from conflict and had sufficient time available to discharge her duties effectively.

Committee membership: Audit and Risk (Chairman), Management Engagement, Valuations, and Nomination Committees.

Current remuneration: £39,000 per annum.

Number of shares held: 46,345

Tim Jenkinson

Status: Independent non-executive Director and Chairman of the Management Engagement Committee and Valuations Committee

Length of service: appointed as a Director in November 2020.

Experience: Tim is Professor of Finance at the Saïd Business School, University of Oxford, Director of the Oxford Private Equity Institute and one of the founders of the Private Equity Research Consortium. Tim's research has won many awards. He is a Professorial Fellow at Keble College, University of Oxford and a Research Associate of the European Corporate Governance Institute. Tim is a partner at the European economic consulting firm Oxera. He has previously held Board positions in PSource Structured Debt Limited, the US financial services firm DFC Global Corporation and the German utility comparison firm, Verivox GmbH. Tim was a Specialist Advisor to the Culture, Media and Sport Select Committee of the UK Parliament.

Tim is an experienced researcher and lecturer, teaching courses on private equity, entrepreneurial finance, and valuation. Tim remained free from conflict and had sufficient time available to discharge his duties effectively.

Committee membership: Audit and Risk, Management Engagement (Chairman), Valuations (Chairman), and Nomination Committees.

Current remuneration: £39,000 per annum.

Number of shares held: 6,609

*Shareholdings are as at July 2024, full details of Directors' shareholdings are set out in the Directors' Remuneration Report on page 48.

Jemma Bruton

Status: Independent non-executive Director

Length of service: appointed as a Director in July 2024.

Experience: Jemma, an economics graduate from Cambridge and an INSEAD MBA, held a number of senior positions at Goldman Sachs, latterly as Executive Director, Leveraged Finance. She is currently co-managing director at Salica Investments Advisory LLP (formerly Hambro Perks Advisory LLP), and leads their activities on origination, execution and portfolio management. She has extensive experience in venture investing and financing and works closely with a number of high growth private companies in the UK and Europe.

Committee membership: Audit and Risk, Management Engagement, Valuations, and Nomination Committees.

Current remuneration: £33,000 per annum.

Number of shares held: Nil

Justin Ward

Status: Independent non-executive Director

Length of service: appointed as a Director in July 2024.

Experience: Justin is a Chartered Accountant with considerable investment experience and is a private equity specialist. He led and managed growth equity and private equity buyout transactions at CVC Capital Partners and as a partner at Hermes Private Equity and Bridgepoint Development Capital. He is an active angel investor and has served on the Board of a number of private companies as a non-executive Director. Justin is currently a non-executive Director and Chairman of the Investment Committee at The Income & Growth VCT plc and a non-executive Director and Chairman of the Audit Committee at Hargreave Hale AIM VCT plc.

Committee membership: Audit and Risk, Management Engagement, Valuations, and Nomination Committees.

Current remuneration: £33,000 per annum.

Number of shares held: Nil

The Directors submit their annual report and financial statements of the Company for the year ended 31 March 2024.

Corporate governance statement

The Company is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for an investment trust.

The Financial Conduct Authority requires all UK listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code 2018 (the "UK Code") issued by the Financial Reporting Council ("FRC"). The UK Code is available on the FRC's website: www.frc.org.uk.

The Company is a member of the Association of Investment Companies ("AIC"), which has published its own Code of Corporate Governance to recognise the special circumstances of investment trusts (www.theaic.co.uk) as endorsed by the FRC. The Board has considered the principles and provisions of the AIC Code of Corporate Governance 2019 (the "AIC Code"), which addresses those set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company as an investment trust.

The AIC Code also includes an explanation of how the principles and provisions set out in the UK Code are adapted to make them relevant for investment companies.

The Board considers that reporting against the principles and provisions of the AIC Code provides more relevant information to shareholders.

The Board confirms that the Company has complied throughout the year under review with the relevant principles and provisions of the AIC Code.

The UK Code includes provisions relating to:

- the role of executive Directors and senior management;
- executive Directors' remuneration;
- the need for an internal audit function;
- the requirement to establish a Remuneration Committee.

All of the Company's day-to-day management and administrative functions are outsourced to third parties and the Company has no executive Directors, employees or internal operations. The Company has not therefore reported further in respect of these provisions.

The Nomination Committee fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. As the Company does not have any executive Directors it was not deemed appropriate to establish a separate Committee. As permitted under the AIC Code, the Chairman is a member of the Audit and Risk Committee. An explanation as to why this is considered appropriate is set out in the Audit and Risk Committee Report on page 39.

Directors and officers

Chairman

The Chairman is an independent non-executive Director who is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairman's other significant commitments are detailed on page 34. Neil England will be stepping down at the forthcoming AGM and Justin Ward will be appointed to replace him as Chairman. He has no conflicting relationships.

Senior Independent Director ("SID")

The SID acts as a sounding board for the Chairman, meets with major shareholders as appropriate, provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors.

Company Secretary

Schroder Investment Management Limited provides company secretarial support to the Board and is responsible for assisting the Chairman with Board meetings and advising the Board with respect to governance. The Company Secretary also manages the relationship with the Company's service providers, except for the Manager. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the address given on the outside back cover or by email to: amcompanysecretary@schroders.com.

Role and operation of the Board

The Board is the Company's governing body; it sets the Company's strategy and is collectively responsible to shareholders for its long-term success. The Board is responsible for appointing and subsequently monitoring the activities of the Manager and other service providers to ensure that the investment objective of the Company continues to be met. The Board monitors that the Manager is adhering to the investment restrictions set by the Board and acting within the parameters set by it in respect of any gearing. The Business Review on pages 23 and 24 sets out further detail of how the Board reviews the Company's strategy, risk management and internal controls and also includes other information required for the Directors' Report, and is incorporated by reference.

A formal schedule of matters specifically reserved for decision by the Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

The Chairman ensures that all Directors receive relevant management, regulatory and financial information in a timely manner and that they are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and internal controls. The Board meets at least quarterly and receives and considers reports regularly from the Manager and other key advisers and ad hoc reports and information are supplied to the Board as required.

Matters considered by the Board include: the setting and monitoring of investment strategy; approval of borrowings and/or cash positions; review of investment performance; the level of premium or discount of the Company's shares to NAV per share and promotion of the Company; and services provided by third parties. Additional meetings of the Board are arranged as required.

The Board has approved a policy on Directors' conflicts of interest. Under this policy, Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval. The Board may impose restrictions or refuse to authorise such conflicts if deemed appropriate. No Directors have any connections with the Manager, shared directorships with other Directors or material interests in any contract which is significant to the Company's business.

Committees

In order to assist the Board in fulfilling its governance responsibilities, it has delegated certain functions to Committees. The roles and responsibilities of these Committees, together with details of work undertaken during the year under review, are outlined in the following pages.

The reports of the Audit and Risk Committee, Valuations Committee, Management Engagement Committee and Nomination Committee are incorporated into and form part of the Directors' Report. Each Committee's effectiveness was assessed, and judged to be satisfactory, as part of the Board's annual review of the Board and its Committees (apart from the Valuations Committee which was established in September 2023).

Key service providers

The Board has adopted an outsourced business model and has appointed the following key service providers:

Manager

The Company is an Alternative Investment Fund as defined by the AIFM Directive and has appointed Schroder Unit Trusts Limited ("SUTL") as the Manager in line with the terms of an Alternative Investment Fund Manager ("AIFM") agreement. The AIFM agreement, which is governed by the laws of England and Wales, can be terminated by either party on six months' notice or on immediate notice in the event of certain breaches or the insolvency of either party. As at the date of this report no such notice had been given by either party.

SUTL is authorised and regulated by the FCA and provides portfolio management, risk management, accounting and company secretarial services to the Company under the AIFM agreement. The Manager also provides general marketing support for the Company and manages relationships with key investors, in conjunction with the Chairman, other Board members or the Corporate Broker as appropriate.

The Manager has delegated investment management, accounting, administration and company secretarial services to another wholly owned subsidiary of Schroders plc, Schroder Investment Management Limited ("SIM"). The Company Secretary has an independent reporting line to the Manager and distribution functions within Schroders. The Manager has in place appropriate professional indemnity cover.

Private investments are managed by Schroders' specialist private equity team, Schroders Capital. Schroders Capital has over 20 years' experience successfully investing in companies, both directly via direct co-investment and through funds. They manage over £94 billion of assets across several specialist strategies.

The Schroders Group manages £760.4 billion (as at 31 March 2024) on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives.

Fees payable to the Manager

The AIFM is entitled to receive from the Company a management fee calculated and paid quarterly in arrears, on the last Business Day of March, June, September and December, at an annual rate of 0.6% per annum of the quarterly cum income NAV. The AIFM will also be entitled to receive a performance fee, the sum of which will be equal to 15% of the amount by which the "**PE Portfolio Total Return**" at the end of a "**Calculation Period**" exceeds a hurdle of 10% per annum.

"**PE Portfolio**" shall mean the Company's private equity investments and any public equity investments which, at the time of investment, constituted private equity investments.

"**PE Portfolio Total Return**" shall mean realised and unrealised gains and losses on the PE Portfolio during the Calculation Period, plus any dividends paid during the Calculation Period, minus any management fee or dealing costs payable in respect of the PE Portfolio during the Calculation Period, expressed as a percentage of the time weighted invested capital of the PE Portfolio.

If a performance fee shall be payable in accordance with the above, it shall only be paid in full if the "**Payment Amount**" is greater than the performance fee.

"**Listed Value Change**" means the aggregate price increase or decrease attributable to each PE Portfolio Investment in listed shares that are held at the end of the relevant Calculation Period.

"**Payment Amount**" means the sum of: (i) aggregate net realised profits on PE Portfolio Investments since the start of the relevant Calculation Period; (ii) plus an amount equal to each IPO Unrealised Gain where the IPO of the relevant PE Portfolio Investment takes place during the relevant Calculation Period; (iii) if Listed Value Change is positive in respect of the Calculation Period, then plus an amount equal to the Listed Value Change or, if Listed Value Change is negative in respect of that Calculation Period, minus an amount equal to the "**Listed Value Change**"; and (iv) plus the aggregate amount of all dividends or other income received from PE Portfolio investments of the Company in that Calculation Period. If the NAV has decreased any accrued performance fee is carried forward and becomes payable in the next period in which the NAV increases.

"**Calculation Period**" means each financial period ending on the Company's accounting reference date, except that: (i) the first Calculation Period shall be the period commencing on Initial Admission and ending on 30 June 2021; and (ii) the final Calculation Period shall be the period commencing on the day after the Company's then accounting reference date and ending on the winding-up date.

The accrued performance fee shall only be payable by the Company in respect of a Calculation Period if the Company's net asset value per share has increased over that Calculation Period.

The Company may make private equity investments through underlying investment vehicles in respect of which the AIFM or other members of the Schroders group may receive fees. In such circumstances, the AIFM will not charge any fees to the Company in respect of such investment. In addition, the AIFM will take all reasonable steps to ensure that any fee charged by an underlying investment vehicle does not exceed a fee that is approximately 15% on gains over a hurdle that is, as far as reasonably practicable, commensurate with the Performance Hurdle. The AIFM shall also be entitled to a company secretarial and administrative fee from the Company, equal to the lower of: (i) 0.2% per annum of the quarterly cum income Net Asset Value; and (ii) £250,000 per annum, paid quarterly in arrears on the last Business Day of March, June, September and December.

Details of all amounts payable to the Manager are set out in note 18 to the accounts on page 69.

Depositary

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ('FCA') and the Prudential Regulation Authority, carries out certain duties of a Depositary specified in the AIFM Directive including, in relation to the Company:

- safekeeping of the assets of the Company which are entrusted to it;
- cash monitoring and verifying the Company's cash flows; and
- oversight of the Company and the Manager.

The Company, the Manager and the Depositary may terminate the depositary agreement at any time by giving 90 days' notice in writing.

The Depositary may only be removed from office when a new Depositary is appointed by the Company.

Registrar

Equiniti Limited ("Equiniti") has been appointed as the Company's Registrar. Equiniti's services to the Company include share register maintenance (including the issuance, transfer and cancellation of shares as necessary), acting as agent for the payment of any dividends, management of company meetings (including the registering of proxy votes and scrutineer services as necessary), handling shareholder queries and correspondence and processing corporate actions.

Share capital and substantial share interests

As at 31 March 2024, the Company had 73,900,000 ordinary shares of 1p in issue. 1,100,000 shares were held in treasury. Accordingly, the total number of voting rights in the Company at 31 March 2024 was 73,900,000. Details of changes to the Company's share capital during the year are given in note 13 to the accounts on page 67.

The Board will be seeking approval from shareholders to buy-back shares, reissue shares held in treasury and issue new shares, as more particularly described in the AGM notice and Annual General Meeting – Recommendations section.

All shares in issue rank equally with respect to voting, dividends and any distribution on winding up.

The Company has received notifications in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R of the below interests in 3% or more of the voting rights attaching to the Company's issued share capital.

The Company is reliant on investors to comply with these regulations, and certain investors may be exempted from providing these. As such, this should not be relied on as an exhaustive list of shareholders holding above 3% of the Company's voting rights.

	As at 31 March 2024	% of total voting rights
Schroders plc	21,151,994	28.62%
East Riding Of Yorkshire Council	15,000,000	20.30%

Following the year end and at the date of this report, there have been no changes.

Revenue, final dividend and dividend policy

The net revenue loss for the year, after finance costs and taxation, was £722,000, equivalent to a revenue loss per ordinary share of 0.98 pence.

The Company's intention is to look for overall return rather than seeking any particular level of dividend income. Subject to the requirement to make distributions to maintain investment trust status, any dividends and other distributions paid by the Company will be made at the discretion of the Board. The payment of any such dividends or other distributions (if any) will depend on the Company's ability to generate realised profits and to acquire investments which pay dividends, its financial condition, its current and anticipated cash needs, its costs and net proceeds on sale of its investments, legal and regulatory restrictions and such other factors as the Board may deem relevant from time to time. As such, investors should have no expectation that dividends or distributions will be paid at all.

The Company has adopted a policy of allocating all operating costs to revenue reserves rather than apportioning any to the capital reserve. This policy is expected to result in a revenue loss being reported in most accounting periods.

The Directors do not propose the payment of a dividend in respect of the year ended 31 March 2024 (2023: nil).

Provision of information to the Auditor

The Directors at the date of approval of this report confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' attendance at meetings

The number of scheduled meetings of the Board and its Committees held during the year and the attendance of individual Directors is shown below.

Director	Board	Audit and Risk Committee	Management Engagement Committee	Nomination Committee	Valuation Committee
Neil England	4/4	3/3	1/1	2/2	2/2
Diana Dyer Bartlett	4/4	3/3	1/1	2/2	2/2
Tim Jenkinson	4/4	3/3	1/1	2/2	2/2

Directors' and officers' liability insurance and indemnities

Directors' and officers' liability insurance cover was in place for the Directors throughout the year. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the court. This indemnity is a qualifying third party indemnity policy and was in place throughout the year under review for each Director and to the date of this report.

Company status

The Articles of Association require the Directors to put forward, at a general meeting of the Company to be held in the year 2028 but in any event no later than 31 May 2028, a winding-up resolution to place the Company into voluntary liquidation, unless alternative proposals have been approved by shareholders.

Post balance sheet event

In June 2024 the Company announced the completion of a new private equity investment in HeadFirst, an international HR tech service provider. The invested capital will be utilised to finance HeadFirst's acquisition of Impellam Group, a managed services and specialist staffing provider.

By order of the Board

Schroder Investment Management Limited
Company Secretary

10 July 2024

Audit and Risk Committee Report

Risk management → Internal controls → Accounting policies and judgements → Half year and annual report → Review of external auditors and their work

The responsibilities and work carried out by the Audit and Risk Committee during the year are set out below. The duties, which include monitoring the integrity of the Company's financial reporting and internal controls, may be found in the terms of reference which are set out on the Company's webpages: https://www.schroders.com/sbot.

Due to the size of the Board, all Directors are members of the Committee. Diana Dyer Bartlett is the Chairman of the Committee. The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Company operates. The AIC Code permits the Chairman of the Board to be a member of the Audit Committee of an investment trust. As the Board is small, having consisted, until July 2024, of only three members and recognising Neil England's significant experience, it is considered appropriate for the Chairman of the Board, who was independent on appointment, to be a member of the Committee.

Approach

Risk management and internal controls	Financial reports and valuation	Audit
Principal and emerging risks and uncertainties To establish a process for identifying, assessing, managing and monitoring the principal and emerging risks of the Company and to explain how these are managed or mitigated. The Committee is responsible for reviewing the adequacy and effectiveness of the Company's internal controls and the whistleblowing procedures operated by the AIFM and other services providers.	**Report and financial statements** To monitor the integrity of the report and financial statements of the Company and any formal announcements relating to the Company's financial performance and valuation.	**Audit results** To discuss any matters arising from the audit and recommendations made by the auditor.
	Going concern and viability To review the position and make recommendations to the Board in relation to whether it considers it appropriate to adopt the going concern basis of accounting in preparing its annual and half-yearly report and financial statements. The Committee is also responsible for reviewing the disclosures made by the Company in the viability statement.	**Auditor appointment, independence and performance** To make recommendations to the Board, in relation to the appointment, re-appointment, effectiveness, and any non-audit services by the auditor and removal of the external auditor. To review their independence, and to recommend to the Board their remuneration. To review the audit plan and engagement letter.

The Committee identified no significant internal control issues during the Committee's review of the Company's principal risks and uncertainties. The below table sets out how the Committee discharged its duties during the year and up until the approval of this report. The Committee met three times during the year. Further details on attendance can be found on page 38. An evaluation of the Committee's effectiveness and review of its terms of reference was performed in March 2024 and the next will be completed as part of the Board and Committee evaluation process in the next reporting year.

Application during the year

Risk management and internal controls	Financial reports	Audit
Service provider controls The operational controls maintained by the Manager, Administrator, Depositary and Registrar were reviewed and included consideration of: – a summary, prepared by the AIFM, following review, of the internal controls reports prepared bi-annually by HSBC in respect of its European Traditional Fund Services, Global Custody Services and Information Technology Services operations; – a summary, prepared by the AIFM following review, of the internal controls reports prepared annually by SIM; and – the Assurance Report on internal controls of Equiniti Share Registration Services.	**Valuation and existence of holdings** Considered reports from the Manager and Depository, including quarterly reports and one at the year end. The Committee has reviewed the Valuation methodologies used for both public and private investments which supports the work undertaken by the Valuations Committee to review and report on the revaluations undertaken on the unquoted holdings during the period and challenge the considerations and key assumptions made where appropriate, to ensure that the valuations are reliable. The Committee continued to consider the IPEV guidelines and their implications for the Company's valuations.	**Meetings with the auditor** The auditor attended meetings to present their audit plan and the findings of the audit. The Committee met the auditor without representatives of the Manager present.
Internal controls and risk management Consideration of internal controls at a briefing session which assessed the internal controls of certain key service providers including the Company's Depositary and Custodian, HSBC, the Company's Registrar, Equiniti, and Schroders Group Internal Audit.	**Recognition of investment income** Reviewed consideration of dividends received against forecast and the allocation of special dividends. The Committee took steps to gain an understanding of the processes to record investment income so that dividends paid by any investee companies held at any time during the year, had been recorded and, where appropriate, collected.	**Effectiveness of the independent audit process and auditor performance** Evaluated the effectiveness of the independent audit firm and process prior to making a recommendation that it should be re-appointed at the forthcoming AGM. Evaluated the auditor's performance against agreed criteria including: qualification; knowledge, expertise and resources; independence policies; effectiveness of audit planning; adherence to auditing standards; and overall competence was considered, alongside feedback from the Manager on the audit process. Professional scepticism of the auditor was questioned and the Committee was satisfied with the auditor's replies.
Compliance with the investment trust qualifying rules in S1158 of the Corporation Tax Act 2010 Consideration of the Manager's report confirming compliance.	**Calculation of the investment management fee and performance fee** Confirmed that the performance and management fees have been calculated in accordance with the AIFM agreement. Consideration of methodology used to calculate the fees, matched against the criteria set out in the AIFM agreement.	**Auditor independence** Ernst & Young LLP has provided audit services to the Company since it was appointed on 19 May 2021. This is the fourth period that Ernst & Young LLP will be undertaking the Company's audit. The auditors are required to rotate the senior statutory auditor every five years. This is the fourth period that the senior statutory auditor, Caroline Mercer, has conducted the audit of the Company's report and financial statements. The auditors were appointed due to their experience. There are no contractual obligations restricting the choice of external auditors.

Application during the year		
Risk management and internal controls	**Financial reports**	**Audit**
	Overall accuracy of the report and financial statements Consideration of the draft report and financial statements and the letter from the Manager in support of the letter of representation to the auditor.	**Audit results** Met with and reviewed a comprehensive report from the auditor which detailed the results of the audit, compliance with regulatory requirements, safeguards that have been established, and on their own internal quality control procedures.
Principal risks Reviewed the principal and emerging risks together with key risk mitigations. The Committee considered the Company's risk appetite statement.	**Fair, balanced and understandable** Reviewed the report and financial statements to advise the Board whether it was fair, balanced and understandable. Reviewed whether performance measures were reflective of the business, whether there was adequate commentary on the Company's strengths and weaknesses and that the report and financial statements, were taken as a whole and consistent with the Board's view of the operation of the Company.	**Provision of non-audit services by the auditor** The Committee has reviewed the FRC's Guidance on Audit Committees and has formulated a policy on the provision of non-audit services by the Company's auditor. The Committee has determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the report and financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services which will be judged on a case-by-case basis however, they did not do so during the reporting period. The Committee was satisfied that this did not affect the independence or objectivity of the auditor.
	Going concern and viability Reviewing the impact of risks on going concern and longer-term viability. The Committee reviewed the disclosures in the report and financial statements on going concern and viability. The Committee reviewed the forecasts and sensitivity analysis prepared by the Manager, the liquidity of the Company's portfolio and the key risks which could affect viability.	**Consent to continue as auditor** Ernst & Young LLP indicated to the Committee their willingness to continue to act as auditor.

Recommendations made to, and approved by, the Board:

The Committee recommended that the Board approve the half year report and the annual report and financial statements. The Committee recommended that the going concern presumption be adopted in the report and financial statements and the explanations set out in the viability statement.

As a result of the work performed, the Committee has concluded that the report for the year ended 31 March 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 49.

Having reviewed the performance of the auditors as described above, the Committee considered it appropriate to recommend the firm's re-appointment. Resolutions to re-appoint Ernst & Young LLP as auditor to the Company, and to authorise the Directors to determine their remuneration will be proposed at the AGM.

The Committee considered and reviewed the Company's compliance with the investment trust qualifying rules in s1158 of the Corporation Tax Act 2010 noting that there was no requirement to pay a dividend under this section.

Diana Dyer Bartlett
Audit and Risk Committee Chairman

10 July 2024

Management Engagement Committee Report

The Management Engagement Committee is responsible for: (1) the monitoring and oversight of the Manager's performance and fees, and confirming the Manager's ongoing suitability, and (2) reviewing and assessing the Company's other service providers, including reviewing their fees. All Directors are members of the Committee. Tim Jenkinson is the Chairman of the Committee. Its terms of reference are available on the Company's webpage: https://www.schroders.com/sbot. The Committee held one scheduled meeting during the year.

Approach

Oversight of the Manager	Oversight of other service providers
The Committee: • reviews the Manager's performance, over the short and long term. • considers the reporting it has received from the Manager throughout the year and the reporting from the Manager to the shareholders. • assesses management fees including the performance fee on an absolute and relative basis, receiving input from the Company's Broker, including peer group and industry figures, as well as the structure of the fees. • reviews the appropriateness of the Manager's contract, including terms such as notice period. • assesses whether the Company receives appropriate administrative, accounting, company secretarial and marketing support from the Manager.	The Committee reviews the performance of the following service providers on at least an annual basis: • Depositary and Custodian; • Corporate Broker; and • Registrar. The Committee receives a report from the Company Secretary on ancillary service providers, and considers any recommendations. The Committee reviews all key service providers other than the external auditor, whose performance is reviewed by the Audit and Risk Committee.

Application during the year

The Committee undertook a detailed review of the Manager's performance and agreed that it has the appropriate depth and quality of resource to deliver superior returns over the longer term. The Committee also reviewed the terms of the AIFM agreement, including the fee structure. The Committee reviewed the other services provided by the Manager and agreed they were satisfactory.	The Committee conducted its annual review of service providers who were deemed satisfactory. A detailed review of the Depositary and Custodian took place. The Committee undertook an evaluation of the Manager, Registrar, and Depositary and Custodian's internal controls.

Recommendations made to, and approved by, the Board:

- That the ongoing appointment of the Manager on the terms of the AIFM agreement, including the fee, was in the best interests of shareholders as a whole.
- That the Company's service providers' performance and fees remained satisfactory.

Nomination Committee Report

The Nomination Committee is responsible for: (1) the recruitment, selection and induction of Directors; (2) their assessment during their tenure; (3) the Board's succession planning; and (4) Directors' fee. All Directors are members of the Committee. Neil England is the Chairman of the Committee. Its terms of reference are available on the Company's webpage: https://www.schroders.com/sbot. The Committee held two scheduled meetings during the year.

Oversight of Directors

Approach

Selection and induction

- Committee prepares a job specification for each role, and an independent recruitment firm is appointed. For the Chairman of Committees, the Committee considers current Board members too.
- Job specification outlines the knowledge, professional skills, personal qualities and experience requirements.
- Potential candidates assessed against the Company's diversity policy.
- Committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board.
- Committee reviews the induction and training of new Directors.

Board evaluation and Directors' fees

- Committee assesses each Director annually, and considers if an external evaluation is appropriate.
- Evaluation focuses on whether each Director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the year, taking into account time commitment, independence, conflicts and training needs.
- Following the evaluation, the Committee provides a recommendation to shareholders with respect to the annual re-election of Directors at the AGM.
- All Directors retire at the AGM and their re-election is subject to shareholder approval.
- Committee reviews Directors' fees, taking into account comparative data and reports to shareholders.
- Any proposed changes to the remuneration policy for Directors discussed and reported to shareholders.

Succession

- The Board's succession policy is that Directors' tenure will be for no longer than nine years, except in exceptional circumstances, and that each Director will be subject to annual re-election at the AGM.
- Committee reviews the Board's current and future needs at least annually. Should any need be identified the Committee will initiate the selection process.
- Committee oversees the handover process for retiring Directors.

Application for the year

Selection and induction	Board evaluation and Directors' fees	Succession
• Following a rigorous selection process using an independent external recruitment agency, Nurole, Justin Ward and Jemma Bruton were appointed to the Board with effect from 1 July 2024. Nurole has no connection with the Company or any of the Directors. • The Committee noted that, as part of the appointment process, the new Directors would engage in an induction programme with the Manager and its various operating functions as well as other key service providers. • Justin Ward and Jemma Bruton will stand for election as Directors at the forthcoming AGM, as set out in resolutions five and six of the Notice of Annual General Meeting. • Other independent external recruitment agencies were also approached to provide proposals.	The Committee assesses each Director annually, and considers if an external evaluation is appropriate. • Evaluation focuses on whether each Director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the reporting period, taking into account time commitment, independence, conflicts and training needs. • Following the evaluation, the Committee provides a recommendation to shareholders with respect to the annual re-election of Directors at the AGM. • All Directors retire at the AGM and their re-election is subject to shareholder approval. • Committee reviews Directors' fees, taking into account comparative data and reports to shareholders. • Any proposed changes to the remuneration policy for Directors discussed and reported to shareholders.	• In anticipation of Neil England's retirement at the forthcoming AGM, the Committee discussed appointing a suitable replacement having regard to the current Board's composition, diversity and efficacy. Following consideration, it was agreed that Justin Ward would be a suitable candidate to act as Chairman upon Neil's retirement. • Following consideration the Board agreed that it was required to strengthen numbers by increasing its number back to four Directors. • The Committee believes it is important for the Board to have the appropriate skills and diversity and will continue to review composition and succession plans with these in mind. • Jemma's appointment will aid in strengthening the Board and will enable the Board to meet its gender diversity target.

Recommendations made to, and approved by, the Board:

- That all Directors continue to demonstrate commitment to their roles, provide a valuable contribution to the deliberations of the Board, remuneration of the Directors remains appropriate and Directors remain free from conflicts with the Company and its Directors contribute to the long-term sustainable success of the Company, and should all be recommended for election or re-election by shareholders at the AGM. Neil England will step down at the forthcoming AGM and will not be standing for re-election.
- That Directors' fees be increased by 5% per annum (rounded to the nearest £500).
- The Director's Remuneration Report and Remuneration Policy be put to shareholders as ordinary resolutions at the forthcoming AGM.
- That Nurole be engaged to assist in the search for the new non-executive Director positions.
- That in order to strengthen the Board numbers to four and in light of Neil England's imminent departure as Chairman, that Justin Ward and Jemma Bruton be appointed as a non-executive Directors with effect from 1 July 2024 and that their election as non-executive Directors be proposed, and recommended to shareholders for approval at the forthcoming AGM.

Valuations Committee Report

During the financial year the Board decided to form a Valuations Committee to take on some of the valuation responsibilities previously undertaken by the Audit and Risk Committee. This decision recognised the importance of the Board's oversight role on valuations and the need for shareholders to have confidence in the outcomes determined by the Committee. The Committee was established in September 2023 and held two meetings during the remaining period of the year.

The Valuations Committee is responsible for reviewing, and where necessary, challenging the valuations carried out by out by the specialist in-house valuations team. This team operates independently to the Investment Management team. Tim Jenkinson is the Chairman and the other Directors are members of the Committee. Its terms of reference are available on the Company's webpage: https://www.schroders.com/sbot.

Approach

Valuation and existence of holdings

The Committee:

- meets at least four times a year to consider the private equity quarterly NAV revaluations. The Committee also considers the public equity holdings (where necessary) to ensure complete oversight of the entire portfolio;
- formulates valuation policies for investments of the Company, considers whether independent valuation of the portfolio is required and approves the valuations for both public and private investments; and
- considered reports from the Manager at each meeting.

Application for the year

The Committee met with the Manager's valuation team at each meeting and reviewed the basis on which each investment had been valued.

The Committee reviewed and recommended valuation inputs for quarterly NAV calculations.

The Committee challenged the multiples that had been used and reviewed the usage of market comparables.

The Committee discussed the ongoing progress of investee companies to understand how this would have an effect on valuations.

Recommendations made to, and approved by, the Board:

The Committee recommended that the Board approve the quarterly and half year valuations. Post the period end the Committee also provided recommendations in respect of the year end valuation to support the annual report and financial statements.

Introduction

The remuneration policy below is currently in force and is subject to a binding vote every three years. The next vote will take place at the forthcoming AGM and the current policy provisions will apply until that date. An ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at the AGM (no changes are proposed). The Directors' report on remuneration is subject to an annual advisory vote. An ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM.

At the AGM held on 30 November 2021, 99.99% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Directors' Remuneration Policy were in favour, while 0.01% were against and 10,000 votes were withheld.

At the AGM held on 27 September 2023, 99.71% of the votes cast (including votes at the Chairman's discretion) in respect of approval of the Director's Remuneration Report were in favour, while 0.29% were against.

Directors' remuneration policy

It is the Board's policy to determine the level of Directors' remuneration having regard to amounts payable to non-executive Directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities, and time committed to the Company's affairs, taking into account the aggregate limit of fees set out in the Company's Articles of Association. This aggregate level of Directors' fees is currently set at £500,000 per financial year and any increase in this level requires approval by the Board and the Company's shareholders.

The Chairman of the Board, the Chair of the Audit and Risk Committee and the Chairman of the Valuations Committee each receive fees to reflect their additional responsibilities. Directors' fees are set at a level to recruit and retain individuals of sufficient calibre, with the level of knowledge, experience and expertise necessary, and to promote the success of the Company in reaching its short and long-term strategic objectives.

The Board and its Committees comprise non-executive Directors. No Director past or present has an entitlement to a pension from the Company and the Company has not, and does not intend, to operate a share scheme for Directors or to award any share options or long-term performance incentives to any Director. No Director has a service contract with the Company; however, Directors have a letter of appointment. Directors do not receive exit payments and are not provided with any compensation for loss of office. No other payments are made to Directors other than the reimbursement of reasonable out-of-pocket expenses incurred in attending to the Company's business.

Any Director who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid additional remuneration to be determined by the Directors, subject to the previously mentioned fee cap.

Implementation of policy

The terms of Directors' letters of appointment are available for inspection at the Company's registered office address during normal business hours and during the AGM at the location of such meeting.

The Board did not seek the views of shareholders in setting this remuneration policy. Any comments on the policy received from shareholders would be considered on a case by case basis.

As the Company does not have any employees, no employee pay and employment conditions were taken into account when setting this remuneration policy and no employees were consulted in its construction.

Directors' fees are reviewed annually and take into account research from third parties on the fee levels of Directors of peer group companies, inflation, as well as industry norms and factors affecting the time commitment expected of the Directors. New Directors are subject to the provisions set out in this remuneration policy.

Directors' report on remuneration

This report sets out how the remuneration policy was implemented during the year ended 31 March 2024.

Fees paid to Directors

The following amounts were paid by the Company to Directors for their services in respect of the year ended 31 March 2024. Directors' remuneration is all fixed; they do not receive any variable remuneration.

	Fees		Taxable benefits[1]		Total	
Directors	Year ended 31 March 2024 £	Year ended 31 March 2023 £	Year ended 31 March 2024 £	Year ended 31 March 2023 £	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Neil England (Chairman)	**43,250**	42,003	**–**	–	**43,250**	42,003
Diana Dyer Bartlett	**37,875**	36,753	**–**	–	**37,875**	36,753
Tim Jenkinson	**35,250**	31,502	**–**	44	**35,250**	31,546
Christopher Keljik[2]	**–**	28,827	**–**	–	**–**	28,827
	116,375	139,085	**–**	44	**116,375**	139,129

[1]Comprise amounts reimbursed for expenses incurred in carrying out business for the Company, and which have been grossed up to include PAYE and NI contributions.
[2]Resigned from the Board on 28 February 2023.

The information in the above table has been audited.

Consideration of matters relating to Directors' remuneration

The determination of the Directors' fees is considered by the Nomination Committee who make recommendations to the Board and during the period recommended a 5% increase (rounded to the nearest £500) to commence from 1 October 2023.

Directors' remuneration was last reviewed by the Nomination Committee and the Board in September 2023. The members of the Board at the time that remuneration levels were considered are set out on page 47. Although no external advice was sought in considering the levels of Directors' fees, information on fees paid to Directors of other investment companies managed by Schroders and peer group companies provided by the Manager and Corporate Broker was taken into consideration as was independent third party research.

Change in annual remuneration payable

Directors	Change in annual fee over the year ended 31 March 2024 %	Change in annual fee over the year ended 31 March 2023 %	Change in fee over the nine month period ended 31 March 2022 %[1]
Neil England (Chairman)	**3.0**	2.5	2.6
Diana Dyer Bartlett	**3.1**	3.9	3.4
Tim Jenkinson	**11.7**	4.6	0.3
Christopher Keljik[2]	**–**	–	(1.8)

[1]Calculated based on annualised fees for the nine months ended 31 March 2022 and seven months ended 30 June 2021.
[2]Resigned from the Board on 28 February 2023.

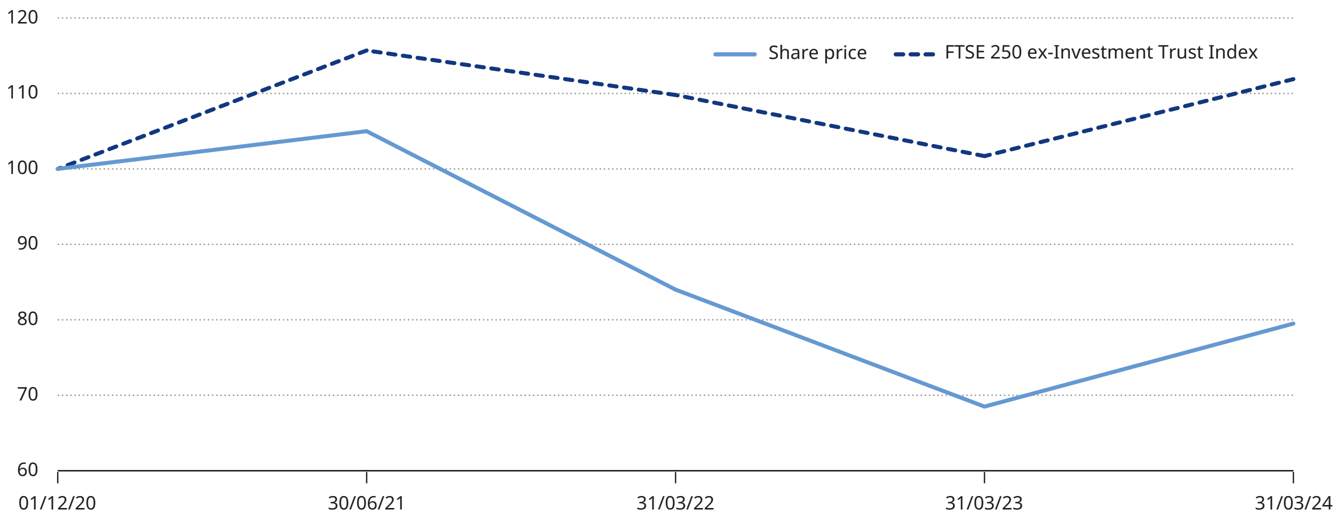
The table below compares the remuneration payable to Directors, to distributions made to shareholders during the year under review and the prior period. In considering these figures, shareholders should take into account the Company's investment objective.

Distributions to shareholders (share buy-backs) vs Directors' remuneration

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000	% Change
Remuneration payable to Directors	**116**	139	(16.5)
Distributions paid to shareholders (share buy-backs)	**–**	808	(100.0)

Performance graph since 1 December 2020 (launch date)

Share price return versus FTSE 250 ex-Investment Trusts Index[1] total return for the period from launch date on 1 December 2020, to 31 March 2024.



[1]Source: Morningstar. Rebased to 100 at 1 December 2020. The FTSE 250 ex Investment Trusts Index has been selected as an appropriate comparison as it best represents the companies that the Manager uses to select investment opportunities. Companies within this index represent the growth characteristics that the Manager seeks to meet the long term investment objective of delivering returns to shareholders.

Directors' share interests

The Company's Articles of Association do not require Directors to own shares in the Company. The interests of Directors, who held office at the end of the year, including those of connected persons, at the beginning and end of the financial year under review, are set out below.

	At 31 March 2024[1]	At 31 March 2023[1]
Neil England	**55,000**	55,000
Diana Dyer Bartlett	**46,345**	46,345
Tim Jenkinson	**6,609**	6,609
Christopher Keljik[2]	**–**	172,601

[1]Ordinary shares of 1p each.
[2]Resigned from the Board on 28 February 2023.

The information in the above table has been audited.

On behalf of the Board

Neil England
Chairman
10 July 2024

Directors' Responsibilities

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, the Directors have prepared the report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). 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 return 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 UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

– notify the Company's shareholders in writing about the use of disclosure exemptions in FRS 102, used in the preparation of the financial statements; and

– prepare the financial statements on a 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 and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the webpage dedicated to the Company. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Statement

Each of the Directors, whose names and functions are listed on pages 34 and 35, confirm that to the best of their knowledge:

– the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;

– the Strategic Report contained in the report and financial statements 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; and

– 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 position and performance, business model and strategy.

On behalf of the Board

Neil England
Chairman

10 July 2024

Financial

Financial

Opinion

We have audited the financial statements of Schroder British Opportunities Trust plc for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and the related notes 1 to 24 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 March 2024 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

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:

- Confirming our understanding of the Company's going concern assessment process and engaging with the Directors and the Company Secretary to determine if all key factors that we have become aware of during our audit were considered in their assessment.
- Inspecting the directors' assessment of going concern, including the revenue forecast, for the period to 31 July 2025 which is at least twelve months from the date the financial statements were authorised for issue.
- Reviewing the factors and assumptions, including the impact of the current economic environment and other significant events that could give risk to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company.
- Considering the mitigating factors included in the revenue forecasts that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements as a result of the Company operating at a revenue loss.
- Considering the commitments that have been made with respect to the purchase of unquoted investments to ensure that these have been appropriately taken account of when preparing the forecast.
- Reviewing the Company's going concern disclosures included in the annual report in order to assess that 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 a period to 31 July 2025, which is at least 12 months from when the financial statements are authorised for issue.

In relation to the Company' 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 incorrect calculation of the performance fee
Materiality	– Overall materiality of £0.81m (2023: £0.79m) which represents 1% (2023:1%) 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, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact Companies. The Company has determined that the impact from climate change could affect the Company's investment valuations and overall investment process. This is explained in the principal risks and uncertainties section on page 30 which forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in Note 1c and conclusion that there was no further impact of climate change to be taken into account. The quoted investments are valued based on market pricing as required by FRS 102 and the unquoted investments are valued using a variety of techniques consistent with the recommendations set out in the International Private Equity and Venture Capital (IPEV) guidelines which also reflect each investment's exposure to climate change risk. We also challenged the directors' considerations of climate change in their assessment of viability and associated disclosures.

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 Risk Committee
Incorrect valuation or ownership of the investment portfolio *(as described on page 40 in the Audit and Risk Committee Report and as per the accounting policy set out on page 62)* The value of the investment portfolio at 31 March 2024 was £83.09 million (2023: £74.13 million) consisting of quoted investments with an aggregate value of £30.23 million (2023: £26.17 million) and unquoted investments with an aggregate value of £52.86 million (2023: £47.96 million). 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 prices which are at close of business on the reporting date. Unquoted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by Schroder Capital (the "Portfolio Manager"). The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV').	**We have performed the following procedures:** We obtained an understanding of the Portfolio Manager's and the Administrator's processes and controls surrounding legal title and valuation of quoted and unquoted investments by performing walkthrough procedures. For all 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 confirmed with the Administrator that there were no investments with stale prices for the quoted investments as at the year end and therefore no stale pricing report produced. We obtained the market prices, from an independent pricing vendor, for 5 business days pre and post the year end date and calculated the day-on-day movement and confirmed there are no stale prices. We compared the Company's quoted and unquoted investment holdings at 31 March 2024 to independent confirmations received directly from the Company's Custodian and Depositary. We obtained confirmations directly from independent third parties with respect to the unquoted investments held by the Company.	The results of our procedures identified no material misstatements 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 Risk Committee
Incorrect valuation or ownership of the investment portfolio (continued). 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 and has been classified as an area of fraud risk as highlighted below on page 57.	We engaged our team of valuation specialists to review the valuations of all unquoted investments which included completing the following procedures: – Reviewing the valuation papers for the year ended 31 March 2024 to gain an understanding of, and comment on, the valuation methodologies and assumptions used; – Assessing whether the valuations have been performed in line with general valuation approaches as set out in UK GAAP and the International Private Equity and Venture capital ('IPEV') guidelines; – Assessing the appropriateness of data inputs and challenging the assumptions used to support the valuations; – Assessing other facts and circumstances, such as market movements and comparative company information, that have an impact on the fair market value of the investments; and – Performing comparative calculations to assess whether the valuation conclusions are reasonable and within an independently calculated acceptable valuation range. We recalculated the unrealised gains/losses on unquoted investments as at the year-end using the book-cost reconciliation and reviewed the fair value hierarchy disclosure for consistency with our understanding of the investments held. For purchases of unquoted investments made during the period, we obtained supporting documents from the Portfolio Manager and agreed these to the purchase cost per the accounting records and to bank statements. We corroborated a sample of inputs used in the valuation to underlying supporting information. Where relevant, we obtained the most recent reporting produced by the general partners and compared these to the Company's valuations as at 31 March 2024 to ensure consistencies in the assumptions or data inputs used.	

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incorrect calculation of the performance fee *(as described on page 40 in the Audit and Risk Committee Report and as per the accounting policy set out on page 63)* The Manager is entitled to a performance fee, the sum of which will be equal to 15% of the amount by which the Private Equity Portfolio Total Return at the end of the calculation period exceeds the performance hurdle. The amount of performance fee accrued as at 31 March 2024 was £1.67 million (2024: £1.67 million). As the inputs to the performance fee are dependent on the valuations of the unquoted investments, there is a risk that the valuation of unquoted investments is overstated resulting in a higher performance fee due to the Portfolio Manager.	**We have performed the following procedures:** We obtained an understanding of the Portfolio Manager's and the Administrator's processes surrounding the calculation of performance fees by performing walkthrough procedures. We tested the mathematical accuracy of the calculation and verified that the calculation was in accordance with the Investment Management Agreement. We verified the inputs used to external support and audited valuations data. We reviewed the payment conditions of the performance fee and verified that no conditions were met during the year. As such, there is no performance fee charge for the current period.	The results of our procedures identified no material misstatements in relation to the risk of incorrect calculation of the performance fee.

There have been no changes to the areas of audit focus raised in the above risk table from the prior year.

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 £0.81 million (2023: £0.79 million), which is 1% (2023: 1%) of shareholders' fund. We believe that Shareholders' funds provides us with materiality aligned to key measure 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% (2023: 75%) of our planning materiality, namely £0.61 million (2023: £0.59 million).

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income which is usually calculated as 5% of net revenue before tax. In the case of the Company, as there is a net loss before tax, we have set our revenue testing threshold in line with the reporting threshold which is calculated as 5% of planning materiality and is £0.04 million (2023: £0.04 million).

Reporting threshold

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

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.04 million (2023: £0.04 million), 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 this gives rise to 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

We have reviewed 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 by the Listing Rules.

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 page 32.
- 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 page 32.
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 32.
- Directors' statement on fair, balanced and understandable set out on page 49.
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 29.
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 40; and
- The section describing the work of the Audit and Risk Committee set out on page 39.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 49, 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 Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Companies' (the 'AIC') Code of Corporate Governance, the AIC's Statement of Recommended Practice, 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 Risk Committee and Company Secretary and review of board and committee minutes and review of papers provided to the Audit and Risk Committee.
- 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 unrealised gains/(losses) and incorrect calculation of the performance fee. 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 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 Risk Committee, we were appointed by the Company on 19 May 2021 to audit the financial statements for the year ending 30 June 2021 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 4 years, covering the periods ending 30 June 2021 and 31 March 2022 to the year ending 31 March 2024.

- The audit opinion is consistent with the additional report to the Audit and Risk 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

10 July 2024

Statement of Comprehensive Income
for the year ended 31 March 2024

	Note	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Gains on investments held at fair value through profit or loss	3	–	2,738	2,738	–	3,198	3,198
Gains on foreign exchange		–	–	–	–	16	16
Income from investments	4	267	–	267	392	–	392
Other interest receivable and similar income	4	98	–	98	77	–	77
Gross return		**365**	**2,738**	**3,103**	**469**	**3,214**	**3,683**
Investment management fee	5	(432)	–	(432)	(458)	–	(458)
Performance fee	5	–	–	–	–	(555)	(555)
Administrative expenses	6	(655)	–	(655)	(650)	–	(650)
Transaction costs	10	–	–	–	–	(4)	(4)
Net (loss)/return before finance costs and taxation		**(722)**	**2,738**	**2,016**	**(639)**	**2,655**	**2,016**
Finance costs		–	–	–	–	–	–
Net (loss)/return before taxation		**(722)**	**2,738**	**2,016**	**(639)**	**2,655**	**2,016**
Taxation	7	–	–	–	–	–	–
Net (loss)/return after taxation		**(722)**	**2,738**	**2,016**	**(639)**	**2,655**	**2,016**
(Loss)/return per share	9	**(0.98)p**	**3.71p**	**2.73p**	**(0.86)p**	**3.57p**	**2.71p**

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the year.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The notes on pages 62 to 73 form an integral part of these accounts.

Statement of Changes in Equity
for the year ended 31 March 2024

	Called-up share capital £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 March 2022	750	72,765	5,598	(1,010)	78,103
Repurchase of the Company's own shares into treasury	–	(808)	–	–	(808)
Net return/(loss) after taxation	–	–	2,655	(639)	2,016
At 31 March 2023	750	71,957	8,253	(1,649)	79,311
Net return/(loss) after taxation	–	–	2,738	(722)	2,016
At 31 March 2024	**750**	**71,957**	**10,991**	**(2,371)**	**81,327**

The notes on pages 62 to 73 form an integral part of these accounts.

Statement of Financial Position
at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	83,092	74,128
Current assets			
Debtors	11	15	151
Cash and cash equivalents	11	790	7,759
		805	7,910
Current liabilities			
Creditors: amounts falling due within one year	12	(900)	(1,543)
Net current liabilities		**(95)**	**6,367**
Total assets less current liabilities		**82,997**	**80,495**
Creditors: amounts falling due after more than one year			
Performance fee		(1,670)	(1,184)
Net assets		**81,327**	**79,311**
Capital and reserves			
Called-up share capital	13	750	750
Capital reserves	14	82,948	80,210
Revenue reserve	14	(2,371)	(1,649)
Total equity shareholders' funds		**81,327**	**79,311**
Net asset value per share	15	**110.05p**	**107.32p**

The accounts were approved and authorised for issue by the Board of Directors on 10 July 2024 and signed on its behalf by:

Neil England
Chairman

The notes on pages 62 to 73 form an integral part of these accounts.

Registered in England and Wales as a public company limited by shares
Company registration number: 12892325

Cash Flow Statement
for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash outflow from operating activities	16	**(743)**	**(662)**
Investing activities			
Purchases of investments		(14,658)	(19,840)
Sales of investments		8,432	13,601
Net cash outflow from investing activities		**(6,226)**	**(6,239)**
Net cash outflow before financing		**(6,969)**	**(6,901)**
Financing activities			
Repurchase of Ordinary shares into treasury		–	(808)
Net cash outflow from financing activities		**–**	**(808)**
Net cash outflow in the year		**(6,969)**	**(7,709)**
Cash at bank and in hand at the beginning of the year		**7,759**	**15,452**
Net cash outflow in the year		**(6,969)**	**(7,709)**
Exchange movements		**–**	**16**
Cash at bank and in hand at the end of the year		**790**	**7,759**

Included under operating activities are dividends received during the period amounting to £376,000 (year ended 31 March 2023: £362,000) and interest receipts amounting to £111,000 (year ended 31 March 2023 : £62,000).

The notes on pages 62 to 73 form an integral part of these accounts.

1. Accounting period

The Company changed its accounting date to 31 March, commencing 1 July 2021. Comparative figures are provided for the full year, with reference to the previous accounting period. References may be made to 2022, which comparatives will only cover a nine-month period.

2. Accounting policies

(a) Basis of accounting

Schroder British Opportunities Trust plc (the "Company") is registered in England and Wales as a public company limited by shares. The Company's registered office is 1 London Wall Place, London EC2Y 5AU, United Kingdom.

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are prepared in accordance with Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in July 2022, except for certain financial information required by paragraph 82(c) regarding unquoted holdings with a value greater than 5% of the portfolio or included in the top 10, where information is not publicly available. All of the Company's operations are of a continuing nature.

The financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments and derivative financial instruments measured at fair value through profit or loss. The Directors believe that the Company has adequate resources to continue operating for the period to 31 July 2025, which is at least 12 months from the date of approval of these financial statements. In forming this opinion, the Directors have taken into consideration: the controls and monitoring processes in place; the Company's other payables; the level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; the Company's revenue forecasts and the liquidity of the Company's investments. In forming this opinion, the Directors have also considered the Company's principal risks, including climate change. Further details of Directors' considerations are given in the Going Concern Statement, Viability Statement and under the Principal and Emerging Risks heading on page 39. The financial statements have been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial statements are presented in sterling and amounts have been rounded to the nearest thousand.

The accounting policies applied to these financial statements are consistent with those applied in the financial statements for the year ended 31 March 2023.

(b) Use of judgements, estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Judgements, estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key judgements, estimates and assumptions in the accounts are the determination of the fair values of the unquoted investments by the Investment Manager for consideration by the Directors. These estimates are key, as they significantly impact the valuation of the unquoted investments at the year end. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The key judgements, estimates and assumptions are described in note 21 on page 72.

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

(c) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment objective and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are recognised by the Company as "held at fair value through profit or loss". Investments are included initially at transaction price, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, using the methodology below. This valuation process is consistent with International Private Equity and Venture Capital ("IPEV") guidelines issued in December 2022, which are intended to set out current best practice on the valuation of Private Equity investments.

(i) Investments traded in active markets are valued using quoted bid prices.

(ii) Investments which are not traded in an active market are valued using the price of a recent investment, where there is considered to have been no material change in fair value.

(iii) Where (ii) is no longer considered appropriate, investments are valued at the price used in a material arm's length transaction by an independent third party, and where there is no impact on the rights of existing shareholders.

(iv) In the absence of (iii), one of the following methods may be used:

- Revenue or EBITDA multiples, based on listed investments in the relevant sector but adjusted for lack of marketability
- Recent transaction prices adjusted for the company's performance against key milestones.
- Option price modelling.

(v) Investments in funds are valued using the NAV per unit with an appropriate discount or premium applied to arrive at a unit price.

Purchases and sales of quoted investments are accounted for on a trade date basis. Purchases and sales of unquoted investments are recognised when the related contract becomes unconditional.

In line with FRS102 the Company's listed investments are valued at fair value, which are quoted bid prices for investments in active markets at the accounting date and therefore reflect market participants view of climate change risk on the investments held. The Company's unquoted investments at 31 March 2024 were valued using a variety of techniques consistent with the recommendations set out in IPEV guidelines. Valuations of all unquoted investments are cross-checked for reasonableness using alternative methods such as: prices of recent transactions, earnings multiples, probability weighted expected returns or option pricing models as appropriate, and are therefore deemed to reflect market participants view of climate change risk on the investments held.

(d) Accounting for reserves

Gains and losses on sales of investments are included in the Statement of Comprehensive Income and in capital reserves within "Gains and losses on sales of investments". Increases and decreases in the valuation of investments held at the year end are included in the Statement of Comprehensive Income and in capital reserves within "Holding gains and losses on investments".

Foreign exchange gains and losses on cash and deposit balances are included in the Statement of Comprehensive Income and in capital reserves.

(e) Income

Dividends receivable are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of any withholding tax.

Deposit interest outstanding at the period end is calculated and accrued on a time apportionment basis using market rates of interest.

(f) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue column of the Statement of Comprehensive Income with the following exceptions:

- Any performance fee is allocated 100% to capital.
- Expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10 on page 66.

(g) Cash and cash equivalents

Cash at bank and in hand may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

(h) Financial instruments

Other debtors and creditors do not carry any interest, are short-term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans and overdrafts are measured at transaction price, which is the proceeds received net of direct issue costs. After initial recognition, subsequent measurement is based on amortised cost.

(i) Taxation

The tax charge for the period includes a provision for all amounts expected to be received or paid.

Deferred tax is provided on all timing differences that have originated but not reversed by the accounting date.

Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(j) Value added tax ("VAT")

Expenses are disclosed inclusive of the related irrecoverable VAT.

(k) Foreign currency

In accordance with FRS 102, the Company is required to determine a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency and the currency in which the financial statements are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets, liabilities and equity investments, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at 4.00 p.m. on the accounting date.

(l) Repurchases of shares into treasury and subsequent reissues

The cost of repurchasing the Company's own shares into treasury, including the related stamp duty and transaction cost is dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis.

The sales proceeds of treasury shares reissued are treated as a realised profit up to the amount of the weighted average price of those shares and is transfered to capital reserves. Any excess of sales proceeds over the purchase price transferred to "share premium".

3. Gains/(losses) on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
(Losses)/gains on sales of investments based on historic cost	(1,282)	889
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	1,641	327
Gains on sales of investments based on the carrying value at the previous balance sheet date	**359**	**1,216**
Unrealised gain recognised in respect of investments continuing to be held	2,379	1,982
Gains on investments held at fair value through profit and loss	**2,738**	**3,198**

4. Income from investments

	2024 £'000	2023 £'000
Income from investments		
UK dividends	252	374
Overseas dividends	15	18
	267	**392**
Other interest receivable and similar income:		
Deposit interest	98	77
	98	**77**
Total income	**365**	**469**

5. Investment management fee and performance fee

	2024 £'000	2023 £'000
Revenue:		
Investment management fee	**432**	**458**
Capital:		
Performance fee	**–**	**555**

The bases for calculating the investment management and performance fees are set out in the Directors' Report on page 37 and details of all amounts payable to the Manager are given in note 18 on page 69.

6. Administrative expenses

	2024 £'000	2023 £'000
Other administrative expenses	233	185
Company secretarial and administrative fee payable to Schroders	158	180
Directors' fees[1]	116	139
Auditor's remuneration for the audit of the Company's annual accounts[2]	148	146
	655	**650**

[1]Full details are given in the remuneration report on pages 46 to 48.

[2]Includes VAT amounting to £24,000 (2023: £24,000).

7. Taxation

(a) Analysis of tax charge for the period

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Taxation	–	–	–	–	–	–

The Company has no corporation tax liability for the year ended 31 March 2024 (period ended 31 March 2023: nil).

(b) Factors affecting tax charge for the period

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net return before taxation	(722)	2,738	2,016	(639)	2,655	2,016
Net return before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25.0% (year ended 31 March 2023: 19.0%)	(181)	685	504	(121)	504	383
Effects of:						
Capital gains on investments	–	(685)	(685)	–	(569)	(569)
Income not chargeable to corporation tax	(67)	–	(67)	(71)	–	(71)
Expenses not deductible for corporation tax purposes	–	–	–	–	1	1
Unrelieved management expenses	248	–	248	192	64	256
Taxation for the year	**–**	**–**	**–**	**–**	**–**	**–**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £1,285,000 (2023: £983,000) based on a prospective corporation tax rate of 25% (year ended 31 March 2023: 25%). The main rate of corporation tax has increased to 25% for the fiscal year beginning on 1 April 2023. This deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to meet the conditions required to retain its status as an Investment Trust Company, no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Dividends

The Company has reported a revenue loss after taxation of £722,000 (year ended 31 March 2023: £639,000) for the year and accordingly there is no requirement to pay a dividend under Section 1158 of the Corporation Tax Act 2010.

9. Return/(loss) per share

	2024 £'000	2023 £'000
Revenue loss	(722)	(639)
Capital gain	2,738	2,655
Total return	**2,016**	**2,016**
Weighted average number of shares in issue during the year	73,900,000	74,376,633
Revenue loss per share	(0.98)p	(0.86)p
Capital return per share	3.71p	3.57p
Total return per share	**2.73p**	**2.71p**

10. Investments held at fair value through profit or loss

(a) Movement in investments

	2024 £'000	2023 £'000
Opening book cost	66,328	59,200
Opening investment holding gains	7,800	5,491
Opening fair value	**74,128**	**64,691**
Purchases at cost	14,658	19,840
Sales proceeds	(8,432)	(13,601)
Gains on investments held at fair value through profit or loss	2,738	3,198
Closing fair value	**83,092**	**74,128**
Closing book cost	71,272	66,328
Closing investment holding gains	11,820	7,800
Closing fair value	**83,092**	**74,128**

10. Investments held at fair value through profit or loss continued

(b) Material revaluations of unquoted investments

Year ended 31 March 2024

	Opening valuation 2023 £'000	Purchases £'000	Sales £'000	Revaluation £'000	Closing valuation 2024 £'000
Investment					
Rapyd Financial Network	8,399	–	–	(1,562)	6,837
Cera EHP S.à r.l.	6,986	51	–	1,009	8,046
Mintec	8,614	–	–	977	9,591
Pirum Systems	6,087	–	–	797	6,884
Culligan	5,053	26	–	506	5,585
EasyPark	4,492	50	–	1,629	6,171
CFC Underwriting	4,098	1,170	–	393	5,661
Learning Curve	2,455	675	–	(1,574)	1,556
Graphcore	1,778	–	–	755	2,533
	47,962	**1,972**	**–**	**2,930**	**52,864**

Year ended 31 March 2023

	Opening valuation 2022 £'000	Purchases £'000	Sales £'000	Revaluation £'000	Closing valuation 2023 £'000
Investment					
Rapyd Financial Network	8,565	–	–	(166)	8,399
Cera EHP S.à r.l.	4,509	407	–	2,070	6,986
Mintec	–	6,304	–	2,310	8,614
Pirum Systems	–	5,752	–	335	6,087
Culligan	6,045	38	(2,384)	1,354	5,053
EasyPark	2,775	30	–	1,687	4,492
CFC Underwriting	–	2,610	–	1,488	4,098
Learning Curve	2,336	8	–	111	2,455
Graphcore	3,178	–	–	(1,400)	1,778
	27,408	**15,149**	**(2,384)**	**7,789**	**47,962**

(c) Material disposals of unquoted investments

There were no disposals of unquoted investments in the year ended 31 March 2024 (31 March 2023: £2,384,000).

(d) Transaction costs

The following transaction costs, comprising stamp duty and brokerage commission and legal fees, were incurred in the year:

	2024 £'000	2023 £'000
On acquisitions		
Stamp duty and brokerage commission	5	18
Legal fees	–	4
On disposals		
Brokerage commission	4	5
	9	**27**

11. Current assets

Debtors

	2024 £'000	2023 £'000
Dividends and interest receivable	11	133
Other debtors	4	18
	15	**151**

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash and cash equivalents

The carrying amount of cash, amounting to £790,000 (2023: £7,759,000), represents its fair value.

12. Current liabilities

Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Other creditors and accruals	900	1,056
Performance fee payable	–	487[1]
	900	**1,543**

[1]The performance fee payable at 31 March 2023 was included in Creditors: amounts falling due within one year. This £487,000 has been reclassified in the current year as Creditors: amounts falling due after more than one year as there is a conditional deferment for payment on these fees.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

13. Called-up share capital

	2024 £'000	2023 £'000
Ordinary Shares allotted, called up and fully paid:		
73,900,000 (2023: 75,000,000) shares of 1p each:	739	750
Repurchase of nil (2023: 1,100,000) shares into treasury	–	(11)
Subtotal of 73,900,000 (2023: 73,900,000) shares	**739**	**739**
1,100,000 (2023: 1,100,000) shares held in treasury	11	11
Closing balance[1]	**750**	**750**

[1]Represents 75,000,000 (2023: 75,000,000) shares of 1p each, including 1,100,000 (2023: 1,100,000) held in treasury.

14. Reserves

	Capital reserves			
	Special distributable capital reserve[1] £'000	Gains and losses on sales of investments[2] £'000	Investment holding gains and losses[3] £'000	Revenue reserve[4] £'000
At 31 March 2023	71,957	453	7,800	(1,649)
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	359	–	–
Unrealised gain recognised in respect of investments continuing to be held	–	–	2,379	–
Transfer on disposal of investments	–	(1,641)	1,641	–
Performance fee allocated to capital	–	–	–	–
Retained revenue for the year	–	–	–	(722)
At 31 March 2024	**71,957**	**(829)**	**11,820**	**(2,371)**

14. Reserves continued

	Capital reserves			
	Special distributable capital reserve[1] £'000	Gains and losses on sales of investments[2] £'000	Investment holding gains and losses[3] £'000	Revenue reserve[4] £'000
At 31 March 2022	72,765	319	5,279	(1,010)
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	1,216	–	–
Net movement in investment holding gains and losses	–	–	1,982	–
Transfer on disposal of investments	–	(539)	539	–
Realised gains on foreign exchange balances	–	16	–	–
Repurchase of the Company's own shares into treasury	(808)	–	–	–
Performance fee allocated to capital	–	(555)	–	–
Transaction costs	–	(4)	–	–
Retained loss for the period	–	–	–	(639)
At 31 March 2023	**71,957**	**453**	**7,800**	**(1,649)**

The Company's Articles of Association permit dividend distributions out of realised capital profits.

[1]This is a distributable capital reserve arising from the cancellation of the share premium, and may be distributed as dividends or used to repurchase the Company's own shares.

[2]This is a realised (distributable) capital reserve and may be distributed as dividends or used to repurchase the Company's own shares.

[3]This reserve may include some holding gains/(losses) on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. An analysis has not been made between those amounts that are realised (and may be distributed as dividends or used to repurchase the Company's own shares) and those that are unrealised.

[4]A credit balance on the revenue reserve may be distributed as dividends or used to repurchase the Company's own shares.

15. Net asset value per share

	2024	2023
Net assets attributable to shareholders (£'000)	81,327	79,311
Shares in issue at the year end	73,900,000	73,900,000
Net asset value per share	**110.05p**	**107.32p**

16. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash outflow from operating activities

	2024 £'000	2023 £'000
Net loss before taxation	2,016	2,016
Less capital return before taxation	(2,738)	(2,655)
Increase/(decrease) in prepayments and accrued income	122	(45)
Increase in other debtors	14	9
(Decrease)/increase in creditors and performance fee payable	(157)	572
Performance fee and transaction costs allocated to capital	–	(559)
Net cash outflow from operating activities	**(743)**	**(662)**

17. Uncalled capital commitments

At 31 March 2024, the Company had uncalled capital commitments amounting to £3,726,000 (31 March 2023: £5,476,000) in respect of follow-on investments, which may be called by investee companies, subject to their achievement of certain milestones and objectives.

18. Transactions with the Manager

Under the terms of the Alternative Investment Fund Manager Agreement, the Manager is entitled to receive a management fee, a company secretarial and administrative fee, and a performance fee. Details of the bases of these calculations are given in the Directors' Report on page 37.

The management fee paid in respect of the year ended 31 March 2024 amounted to £432,000 (year ended 31 March 2023: £458,000), and the whole of this amount was outstanding at the year end. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee. There were £10,795,000 held in such investments at the year end (year ended 31 March 2023 : nil).

A performance fee provision amounting to nil (year ended 31 March 2023: £555,000) has been included in these accounts. No performance fee has been paid to date and the whole amount of £1,670,000 (31 March 2023: £1,184,000) is carried forward until such time as it may be paid under the terms of the AIFM Agreement.

The company secretarial and administrative fee payable for the year amounted to £158,000 (year ended 31 March 2023: £180,000). Company secretarial and administration fees amounting to £181,000 (31 March 2023: £420,000) were outstanding at the year end.

No Director of the Company served as a Director of any company within the Schroders Group at any time during the year.

19. Related party transactions

Details of the remuneration payable to Directors are given in the Directors' Remuneration Report on page 47 and details of Directors' shareholdings are given in the Directors' Remuneration Report on page 48. Details of transactions with the Manager are given in note 18 above. There have been no other transactions with related parties during the year (period ended 31 March 2023: nil).

20. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio.

FRS 102 requires that financial instruments held at fair value are categorised into a hierarchy consisting of the three levels below. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – valued using unadjusted quoted prices in active markets for identical assets.

Level 2 – valued using observable inputs other than quoted prices included within Level 1.

Level 3 – valued using inputs that are unobservable.

Details of the Company's policy for valuing investments and derivative instruments are given in note 2(b) on page 62 and 2(c) on pages 62 and 63. Level 3 investments have been valued in accordance with note 2(c) (i) – (v).

The Company's unquoted investments at 31 March 2024 were valued using a variety of techniques consistent with the recommendations set out in the International Private Equity and Venture Capital guidelines (IPEV). For investments held directly or via an intermediary vehicle, the Company has established its own estimate utilising widely accepted valuation methods.

The determination of fair value by the Manager involves key assumptions dependent upon the valuation technique used. The Company uses the following techniques, which are all consistent with the IPEV Guidelines. The primary technique is the "Multiples" approach. This involves subjective inputs and therefore presents a greater risk of over or under estimation, particularly in the absence of a recent transaction. The key assumption in the Multiples approach is that the selection of comparable companies provides a reasonable basis for identifying the relationship between enterprise value and revenue to apply in the determination of fair value. Typically between 5 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 how many relevant comparable companies are identified and the industries they operate in and vary in the range of 2.5 times to 32.5 times (based on various enterprise valuation metrics). The price of a recent investment may also be used as an appropriate calibration for estimating fair value. Other judgements and assumptions may include: discounts applied due to reduced liquidity; probabilities assigned to potential exit via sale or IPO; and judgements relating to the achievement of performance targets and milestones.

Valuation techniques include the following, along with the associated range of inputs where relevant, and the total amount valued using each method.

	2024		2023	
	Multiple range	Value £'000	Multiple range	Value £'000
Revenue multiple	2.5 to 10.8	21,054	2.4 to 12.1	19,877
EBITDA multiple	9.8 to 32.5	29,277	9.0 to 33.5	26,307
Probability Weighted Expected Return Method ("PWERM")	n/a	2,533		
Black-Scholes-Merton-Model			n/a	1,778
Total		**52,864**		**47,962**

Valuations are cross-checked for reasonableness to alternative multiples-based, income approaches, option pricing models or benchmark index movements as appropriate.

20. Disclosures regarding financial instruments measured at fair value continued

At 31 March 2024, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities – quoted	19,433	10,795	–	30,228
– unquoted	–	–	52,864	52,864
Total	**19,433**	**10,795**	**52,864**	**83,092**

The Level 2 asset relates to the holding in Schroders Special Situations – Sterling Liquidity Plus Fund.

At 31 March 2023, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities – quoted	26,166	–	–	26,166
– unquoted	–	–	47,962	47,962
Total	**26,166**	**–**	**47,962**	**74,128**

There have been no transfers between Levels 1, 2 or 3 during the year (period ended 31 March 2023: nil).

Movements in fair value measurements included in Level 3 during the period are as follows:

	2024 £'000	2023 £'000
Opening fair value of Level 3 Investments	47,962	27,408
Purchases at cost	1,972	15,149
Sales proceeds	–	(2,384)
Net gains on investments	2,930	7,789
Closing fair value of Level 3 investments	**52,864**	**47,962**
Closing book cost	32,288	30,803
Closing investment holding gains	20,576	17,159
Closing fair value of Level 3 investments	**52,864**	**47,962**

21. Financial instruments' exposure to risk and risk management policies

The Company's objectives are set out on the inside front cover of this report. In pursuing these objectives, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Board has oversight of the Company's risk management policy. The Company has no significant exposure to foreign exchange risk on monetary items.

The Company's classes of financial instruments may comprise the following:

- investments in shares of quoted and unquoted companies which are held in accordance with the Company's investment objective;
- short-term debtors, creditors and cash arising directly from its operations;
- bank loans or overdrafts for investment purposes and for efficient portfolio management; and
- derivatives used for investment purposes, efficient portfolio management or currency hedging.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises two elements: interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these two elements of market risk is given in parts (i) and (ii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Interest rate risk

Interest rate movements may affect the level of income receivable on cash balances and the interest payable on any loans or overdrafts when interest rates are re-set.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company may borrow from time to time, but gearing will not exceed 10% of net asset value at the time of drawing. Gearing is defined as borrowings less cash, expressed as a percentage of net assets. However, the Company has not used any loans or overdrafts during the year (2023: nil).

Interest rate exposure

The exposure of financial assets and financial liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below:

	2024 £'000	2023 £'000
Exposure to floating interest rates:		
Cash at bank and in hand	**790**	**7,759**

The floating rate assets comprise cash deposits on call. Sterling cash deposits at call earn interest at floating rates based on Sterling Overnight Index Average rates ("SONIA").

The above year end amount is broadly representative of the exposure to interest rates during the year.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 0.25% increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

	2024		2023	
	0.25% increase in rate £'000	0.25% decrease in rate £'000	0.25% increase in rate £'000	0.25% decrease in rate £'000
Income statement – return after taxation				
Revenue return	2	(2)	19	(19)
Capital return	–	–	–	–
Total return after taxation	**2**	**(2)**	**19**	**(19)**
Net assets	**2**	**(2)**	**19**	**(19)**

(ii) Other price risk

Other price risk includes changes in market prices which may affect the value of investments.

Management of other price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile. The Board may authorise the Manager to enter derivative transactions for efficient portfolio management.

Market price risk exposure

The Company's total exposure to changes in market prices at the year end comprises the following:

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	**83,092**	**74,128**

The above data is broadly representative of the exposure to market price risk during the year.

Concentration of exposure to market price risk

A sector and geographical analysis of the Company's investments is given on page 22. This shows a concentration of exposure to economic conditions in the United Kingdom. In addition, the Company's holds 9 investments (31 March 2023: 9) investments amounting to approximately £52.9 million (31 March 2023: £48.0 million), or 63.6% (31 March 2023: 58.8%) of NAV, whose valuation is deemed to be potentially volatile, due to the valuation techniques which have sensitive inputs.

21. Financial instruments' exposure to risk and risk management policies (continued)

(a) Market risk continued

(ii) Other price risk continued

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's exposure through equity investments and includes the impact on the management fee and performance fee, but assumes that all other variables are held constant.

	2024		2023	
	20% increase in fair value £'000	20% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	(100)	100	(89)	89
Capital return	16,698	(16,698)	14,826	(14,826)
Total return after taxation and net assets	**16,598**	**(16,598)**	**14,737**	**(14,737)**
Percentage change in net asset value	**20.3%**	**(20.3%)**	**18.6%**	**(18.6%)**

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

At the year end, the Company's assets included quoted "public equity investments" amounting to £30,228,000 (31 March 2023: £26,166,000), which can be sold to meet ongoing funding requirements. Additionally, the Company had less liquid, "private equity investments" amounting to £53,262,000 (31 March 2023: £45,047,000) and cash balances amounting to £790,000 (31 March 2023 : £7,759,000).

Liquidity risk exposure

Contractual maturities of financial liabilities, based on the earliest date on which payment can be required are as follows:

	2024			2023		
	Three months or less £'000	More than one year £'000	Total £'000	Three months or less £'000	More than one year £'000	Total £'000
Creditors						
Other creditors and accruals	900	1,670[1]	2,570	1,543	1,184	2,727
	900	**1,670**	**2,570**	**1,543**	**1,184**	**2,727**

[1] As above note 12, the performance fee payable in the prior year of £487,000 has been reclassified in the current year as Creditors: amounts falling due after more than one year as there is a conditional deferment for payment on these fees.

(c) Credit risk

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

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

The credit ratings of broker counterparties is monitored by the AIFM and limits are set on exposure to any one broker.

Cash

Counterparties are subject to daily credit analysis by the Manager. Cash balances will only be deposited with reputable banks with high quality credit ratings.

Exposure to the Custodian

The Custodian of the Company's assets is HSBC Bank plc which has long-term Credit Ratings of AA– with Fitch and A1 with Moody's. The Company's investments are held in accounts which are segregated from the Custodian's own trading assets. If the Custodian were to become insolvent, the Company's right of ownership of its investments is clear and they are therefore protected. However the Company's cash balances are all deposited with the Custodian as banker and held on the Custodian's balance sheet. Accordingly, in accordance with usual banking practice, the Company will rank as a general creditor to the Custodian in respect of cash balances.

Credit risk exposure

The amounts shown in the statement of financial position under debtors and cash at bank and in hand represent the maximum exposure to credit risk at the year end. No debtors are past their due date and none have been provided for.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried in the statement of financial position at fair value, or at a reasonable approximation of fair value.

22. Capital management policies and procedures

The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to maximise the income and capital return to its equity shareholders.

The Company's capital structure comprises the following:

	2024 £'000	2023 £'000
Equity		
Called-up share capital	750	750
Reserves	80,577	78,561
Total equity	**81,327**	**79,311**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review will include:

– the possible use of gearing, which will take into account the Manager's views on the market;

– the potential benefit of repurchasing the Company's own shares for cancellation or holding in treasury, which will take into account the share price discount;

– the opportunity for issue of new shares; and

– the amount of dividend to be paid, in excess of that which is required to be distributed.

23. Post balance sheet events

In June 2024 the Company announced the completion of a new private equity investment in HeadFirst, an international HR tech service provider. The invested capital will be utilised to finance HeadFirst's acquisition of Impellam Group, a managed services and specialist staffing provider.

24. Disclosures regarding material unquoted holdings (comprising more than 5% of the portfolio and/or included in the top ten holdings)

Holding	Description of its business	Class of shares held	Cost of the investment £'000	Fair value 2024 £'000	Fair value 2023 £'000	Total income received in the year £'000
Mintec	Provides market intelligence, commodity prices and price forecasts across the agri-food supply chain	Ordinary	6,304	9,591	8614	–
Cera EHP S à r l	Provides home care services for elderly people	Ordinary	3,450	8,046	8,046	–
Rapyd Financial Network	Global Fintech company	Ordinary	3,297	6,837	8,399	–
Pirum Systems	Provides a secure processing hub which seamlessly links market participants together, allowing them to electronically process and verify key transaction details	Ordinary	5,752	6,884	6087	–
EasyPark	Digital parking, electrical vehicle charging and mobility services	Ordinary	2,047	6,171	4,492	–
CFC Underwriting	Specialist in insurance for cyber security and tech insurance for IT consultants	Ordinary	3,780	5,661	4098	–
Culligan	Global provider of purified drinking water dispensers	Ordinary	1,820	5,585	5,053	–
Graphcore	Provider of training and education services for adults	Ordinary	4,000	2,533	1,778	–

The Company has not included certain disclosures required by paragraph 82(c) of the SORP. In particular, turnover, pre-tax profit and attributable net assets, because it is not publicly available.

Other information-(Unaudited)

Other Information (Unaudited)

The following information relates to the notice of Annual General Meeting ("AGM") of the Company which is convened for 18 September 2024 at 1.00 p.m. The formal Notice of Meeting is set out on page 77.

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your ordinary shares in the Company, please forward this document with its accompanying proxy form at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Ordinary business

Resolutions 1 to 11 are all ordinary resolutions. Resolution 1 is a required resolution. Resolution 2 relates to the Directors' Remuneration Policy. Resolution 3 concerns the Directors' Report on Remuneration, on pages 46 to 48. Resolution 4 concerns the authorisation of the Directors to determine that no final dividend for the year ended 31 March 2024 will be paid. Resolutions 5 and 6 invite shareholders to elect Jemma Bruton and Justin Ward as Directors of the Company for the first time. Resolutions 7 and 8 invite shareholders to re-elect Diana Dyer Bartlett and Tim Jenkinson as Directors until the next AGM, following the recommendations of the Nomination Committee, set out on page 44 (their biographies are set out on pages 34 and 35). Neil England will not be standing for re-election so no resolution has been proposed in this regard. Resolutions 9 and 10 concern the re-appointment and remuneration of the Company's auditor, discussed in the Audit and Risk Committee report on pages 39 to 41.

Special business

Resolution 11: Directors' authority to allot shares (ordinary resolution) and resolution 12: power to disapply pre-emption rights (special resolution)

The Directors are seeking authority to allot a limited number of treasury shares and unissued ordinary shares for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures.

Appropriate resolutions will be proposed at the forthcoming AGM and are set out in full in the Notice of AGM. An ordinary resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £73,900 (being 10% of the issued share capital (excluding any shares held in treasury) as at 10 July 2024).

A special resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £73,900 (being 10% of the issued share capital as at 10 July 2024) on a non pre-emptive basis. This authority includes shares that the Company sells or transfers that have been held in treasury. The Directors do not intend to allot ordinary shares or sell treasury shares, on a non pre-emptive basis, pursuant to this authority other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company as a whole. Shares issued or treasury shares reissued, under this authority, will be at a price that is equal to or greater than the Company's NAV per share, plus any applicable costs, as at the latest practicable date before the allotment of such shares.

If approved, both of these authorities will expire at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Resolution 13: authority to make market purchases of the Company's own shares (special resolution)

On 27 September 2023, a special resolution was passed to give the Company authority to make market purchases of up to 14.99% of the ordinary shares. So far, no shares have been bought back under this authority.

The Directors will continue to monitor the level of the discount and consider the merits of further buy-backs, which should be accretive in nature when discounts are wide.

However, any decision to buy back shares will be influenced by such factors as: market conditions; the small size of the Company; the illiquid nature of the private equity holdings; the need to retain cash for investment opportunities; and the level of the Company's borrowing, if any. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at 10 July 2024 (excluding treasury shares). The Directors will continue to monitor the level. The Directors consider that any purchase would be for the benefit of the Company and its shareholders. Any shares so purchased would be cancelled or held in treasury for potential reissue.

If renewed, this authority will lapse at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Resolution 14: notice period for general meetings (special resolution)

Resolution 14 set out in the Notice of AGM is a special resolution and will, if passed, allow the Company to hold general meetings (other than annual general meetings) on a minimum notice period of 14 clear days, rather than 21 clear days as required by the Companies Act 2006. The approval will be effective until the Company's next AGM to be held in 2025. The Directors will only call general meetings on 14 clear days' notice when they consider it to be in the best interests of the Company's shareholders and will only do so if the Company offers facilities for all shareholders to vote by electronic means and when the matter needs to be dealt with expediently.

Recommendations

The Board considers that the resolutions relating to the above items of business are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as they intend to do in respect of their own beneficial holdings.

Notice is hereby given that the Annual General Meeting of Schroder British Opportunities Trust plc will be held on 18 September 2024 at 1.00 p.m. at 1 London Wall Place, London EC2Y 5AU to consider the following resolutions, of which resolutions 1 to 11 will be proposed as ordinary resolutions, and resolutions 12 to 14 will be proposed as special resolutions:

1. To receive the Directors' Report and the audited accounts for the year ended 31 March 2024.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Report on Remuneration for the year ended 31 March 2024.
4. To authorise the Directors to determine that no final dividend for the year ended 31 March 2024 will be paid.
5. To approve the election of Jemma Bruton as a Director of the Company.
6. To approve the election of Justin Ward as a Director of the Company.
7. To approve the re-election of Diana Dyer Bartlett as a Director of the Company.
8. To approve the re-election of Tim Jenkinson as a Director of the Company.
9. To re-appoint Ernst & Young LLP as auditor to the Company.
10. To authorise the Directors to determine the remuneration of Ernst & Young LLP as auditor to the Company.
11. To consider, and if thought fit, pass the following resolution as an ordinary resolution:

    "THAT in addition to all existing authorities, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to an aggregate nominal amount of £73,900 (being 10% of the issued ordinary share capital, excluding treasury shares, at 10 July 2024) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company in 2025, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement."
12. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "That, subject to the passing of Resolution 11 set out above, the Directors be and are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (including any shares held in treasury) (as defined in section 560(1) of the Act) pursuant to the authority given in accordance with section 551 of the Act by the said Resolution 11 and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £73,900, (representing 10% of the aggregate nominal amount of the share capital in issue, excluding treasury shares at 10 July 2024); and where equity securities are issued pursuant to this power they will only be issued at a price which is equal or greater than the Company's NAV per share as at the latest practicable date before the allotment; and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry."
13. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "THAT the Company be and is hereby 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 of the Act) of ordinary shares of 1p each in the capital of the Company ("Share") at whatever discount the prevailing market price represents to the prevailing net asset value per Share provided that:

    (a) the maximum number of Shares which may be purchased is 11,077,610, representing 14.99% of the Company's issued ordinary share capital as at 10 July 2024 (excluding treasury shares);

    (b) the maximum price (exclusive of expenses) which may be paid for a Share shall not exceed the higher of;

    - i) 105% of the average of the middle market quotations for the Shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase; and
    - ii) the higher of the last independent bid and the highest current independent bid on the London Stock Exchange;

    (c) the minimum price (exclusive of expenses) which may be paid for a Share shall be 1p, being the nominal value per Share;

    (d) this authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2025 (unless previously renewed, varied or revoked by the Company prior to such date);

    (e) the Company may make a contract to purchase Shares under the authority hereby conferred which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and

    (f) any Shares so purchased will be cancelled or held in treasury."
14. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "THAT a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice."

By order of the Board

Schroder Investment Management Limited
Company Secretary

10 July 2024

Registered Office:

1 London Wall Place,
London EC2Y 5AU

Registered Number: 12892325

Explanatory Notes to the Notice of Meeting

1. Ordinary shareholders are entitled to attend, speak and vote at the meeting and to appoint one or more proxies, who need not be a shareholder, as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting.

   A proxy form is enclosed. Shareholders are encouraged to appoint the Chairman as proxy. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Additional forms of proxy can be obtained by contacting the Company's Registrars, Equiniti Limited, on +44 (0) 800 032 0641. (If calling from outside of the UK, please ensure the country code is used), or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.

   Completion and return of a proxy form will not preclude a shareholder from attending the Annual General Meeting and voting in person.

   On a vote by show of hands, every ordinary shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every ordinary shareholder who is present in person or by way of a proxy has one vote for every share of which he/she is a holder. Voting will be by poll.

   The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution. A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting. It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 1.00 p.m. on 16 September 2024. If you have any difficulties with online voting, you should contact the shareholder helpline on +44 (0) 800 032 0641. If calling from outside of the UK, please ensure the country code is used.

   If an ordinary shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence. Shareholders may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

   Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the Annual General Meeting.

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

   The statement of the rights of ordinary shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by ordinary shareholders of the Company.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.30 p.m. on 16 September 2024, or 6.30 p.m. two days prior to the date of an 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 Register of Members after 6.30 p.m. on 16 September 2024 shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments.

5. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 1.00 p.m. on 16 September 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

6. Copies of the terms of appointment of the non-executive Directors and a statement of all transactions of each Director and of their family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the Annual General Meeting by any attendee, for at least 15 minutes prior to, and during, the Annual General Meeting. None of the Directors has a contract of service with the Company.

7. The biographies of the Directors offering themselves for election and re-election and are set out on pages 34 and 35 of the Company's report and financial statements for the year ended 31 March 2024.

8. As at 10 July 2024, 75,000,000 ordinary shares of 1 pence each were in issue (1,100,000 were held in treasury). Therefore the total number of voting rights of the Company as at 10 July 2024 was 73,900,000.

9. A copy of this Notice of Meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available from the Company's webpage, https://www.schroders.com/sbot.

10. Pursuant to Section 319A of the Companies Act, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information. Shareholders are asked to send their questions by post or by email (amcompanysecretary@schroders.com).

11. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:

    (a) the audit of the Company's Accounts (including the auditors report and the conduct of the audit) that are to be laid before the Meeting; or

    (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

12. The Company's privacy policy is available on its webpages. https://www.schroders.com/sbot. Shareholders can contact Equiniti for details of how Equiniti processes their personal information as part of the AGM.

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Numerical calculations are given where relevant. Some of the financial measures below are classified Alternative Performance Measures ("APMs") as defined by the European Securities and Markets Authority. Under this definition, APMs include a financial measure of historical financial performance or financial position, other than a financial measure defined or specified in the applicable financial reporting framework. APMs have been marked with an *.

Investment policy

The Company will invest in a diversified portfolio of both public equity investments and private equity investments consisting predominantly of UK Companies with strong long-term growth prospects.

"**Public equity investments**" mean any investments in any of the following categories (a), (b) and (c) below (although it is envisaged that the Company will predominantly focus on those of an equity and/or quasi-equity nature as set out under categories (a) and (b) below):

(a) ordinary shares or similar securities issued by an issuer which are traded on any of the following:

- (i) any "regulated market" as defined in MiFID II and as listed in the register of regulated markets within the EEA maintained by the European Securities and Markets Authority from time to time; or
- (ii) any "recognised investment exchange" as recognised by the FCA under Part XVIII of FSMA; or
- (iii) any "recognised overseas investment exchange" as recognised by the FCA under Part XVIII of FSMA;

(b) securities or other instruments giving the right to acquire or sell any of the securities referred to in (a) above, including without limitation warrants, options, futures, convertible bonds and convertible loan notes; and

(c) preference shares issued by an issuer referred to in (a) above.

"**Private equity investments**" mean any investments in any of the following categories (w), (x), (y) and (z) below (although it is envisaged that the Company will predominantly focus on those of an equity and/or quasi-equity nature as set out under categories (w) and (x) below):

(w) shares in companies and other securities/units/interests equivalent to shares in companies, partnerships (including limited partnership interests) or other entities, provided that they are not already captured under the definition of "public equity investments" above;

(x) securities, derivatives or other instruments giving the right to acquire or sell any of the shares/securities/units/ interests referred to in (w) above, including without limitation warrants, options, futures, contingent value rights, convertible bonds, convertible loan notes, convertible loan stocks or convertible preferred equity;

(y) preference shares issued by an issuer referred to in (w) above; and

(z) debt-based investments not otherwise covered above, including loan stock, payment-in-kind instruments and shareholder loans.

It is anticipated that the Company's portfolio will typically consist of 30 to 50 holdings and will target companies with an equity value between approximately £50 million and £2 billion at the time of initial investment.

The Company will focus on companies which the Manager considers to be sustainable from an environmental, social and governance perspective, supporting at least one of the goals and/or sub-goals of the United Nations' Sustainable Development Goals ("SDGs"), or which the Manager considers would benefit from their support in helping them incorporate SDGs into their business planning and/or in reporting their alignment with SDGs.

"**UK Companies**" means companies which are incorporated, headquartered or have their principal business activities in the United Kingdom, and companies headquartered outside the United Kingdom which derive, or are expected to derive, a significant proportion of their revenues or profits from the United Kingdom.

Net asset value ("NAV") per share

The NAV per share of 110.05p (31 March 2023: 107.32p) represents the net assets attributable to equity shareholders of £81,327,000 (31 March 2023: £79,311,000) divided by the 73,900,000 (31 March 2023: 73,900,000) shares in issue at the year end.

Discount/premium*

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. If shares are trading at a discount, investors would be paying less than the value attributable to the shares by reference to the underlying assets. A premium or discount is generally the consequence of supply and demand for the shares on the stock market. The discount or premium is expressed as a percentage of the NAV per share. The discount at the year end amounted to 27.8% (31 March 2023: 36.2%), as the closing share price at 79.5p (31 March 2023: 68.5p) was 27.8% (31 March 2023: 36.2%) lower than the closing NAV of 110.05p (31 March 2023: 107.32p).

Gearing/(net cash)*

The gearing percentage reflects the amount of borrowings (that is, bank loans or overdrafts) that the Company has used to invest in the market. This figure is indicative of the extra amount by which shareholders' funds would move if the Company's investments were to rise or fall. Gearing is defined as: borrowings used for investment purposes, less cash and investment in liquidity fund, expressed as a percentage of net assets. A negative figure so calculated is termed a "Net cash" position.

At the year end, the Company had no loans or overdrafts, and thus was in a net cash position, calculated as follows:

	31 March 2024 £'000	31 March 2023 £'000
Borrowings used for investment purposes, less cash	(11,585)	(7,759)
Net assets	81,327	79,311
Net cash	**(14.2)%**	(9.8)%

^The full policy can be found on the Company's website.

*Alternative performance Measures ("APMs").

Ongoing charges*

The Ongoing Charges ("OGC") figure is a measure of the ongoing operating cost of the Company. It is calculated in accordance with the AIC's recommended methodology, and represents total annualised operating expenses payable including any management fee, but excluding any finance costs, transaction costs and performance fee provision, expressed as a percentage of the average daily net asset values during the year. For the year ended 31 March 2024, operating expenses amounted to £1,087,000 (year ended 31 March 2023: £1,108,000). This produces an OGC figure of 1.40% (year ended 31 March 2023: 1.47%), when expressed as a percentage of the average daily net asset values during the year of £77.5 million (year ended 31 March 2023: £75.3 million).

Leverage*

For the purpose of the UK Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as the ratio of the Company's exposure to its net asset value and is required to be calculated both on a "Gross" and a "Commitment" method. Under the Gross method, exposure represents the sum of the absolute values of all positions, so as to give an indication of overall exposure. Under the Commitment method, exposure is calculated in a similar way, but after netting off hedges which satisfy certain strict criteria.

The Company's leverage ratio calculation and exposure limits as required by the AIFMD are published on the Company's webpages. The Company is also required to periodically publish its actual leverage exposures. As at 31 March 2024 these were:

Leverage exposure	Maximum ratio	Actual ratio
Gross method	2.50%	0.99%
Commitment method	2.00%	1.00%

Webpages and share price information

The Company has dedicated webpages, which may be found at https://www.schroders.com/sbot. The webpages have been designed to be used as the Company's primary method of electronic communication with shareholders. They contain details of the Company's share price and copies of annual reports and other documents published by the Company as well as information on the Directors, terms of reference of Committees and other governance arrangements. In addition, the webpages contain links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest".

The Company releases its NAV per share on both a cum and ex-income basis, diluted where applicable, to the market on a daily basis.

Share price information may also be found in the Financial Times and at the Company's webpages.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on the Association can be found on its website, www.theaic.co.uk.

Individual Savings Account ("ISA") status

The Company's shares are eligible for stocks and shares ISAs.

Non-Mainstream Pooled Investments status

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

Financial calendar

Results announced	July
Annual General Meeting	September
Half year results announced	December
Financial year end	March

Alternative Investment Fund Managers Directive ("AIFMD") disclosures

The AIFMD, as transposed into the FCA Handbook in the UK, requires that certain pre-investment information be made available to investors in Alternative Investment Funds (such as the Company) and also that certain regular and periodic disclosures are made. This information and these disclosures may be found either below, elsewhere in this annual report, or in the Company's AIFMD information disclosure document published on the Company's webpages.

Remuneration disclosures

Quantitative remuneration disclosures to be made in this annual report in accordance with FCA Handbook rule FUND3.3.5 may also be found in the Company's AIFMD information disclosure document published on the Company's web pages.

Publication of Key Information Document ("KID") by the AIFM

Pursuant to the Packaged Retail and Insurance-based Products ("PRIIPs") Regulation, the Manager, as the Company's AIFM, is required to publish a short KID on the Company. KIDs are designed to provide certain prescribed information to retail investors, including details of potential returns under different performance scenarios and a risk/reward indicator. The Company's KID is available on its webpages.

How to invest

There are a number of ways to easily invest in the Company. The Manager has set these out at www.schroders.com/invest-in-a-trust/.

Complaints

The Company has adopted a policy on complaints and other shareholder communications which ensures that shareholder complaints and communications addressed to the Company Secretary, the Chairman or the Board are, in each case, considered by the Chairman and the Board.

Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments.

These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting https://register.fca.org.uk
- Report the matter to the FCA by calling 0800 111 6768 or visiting https://fca.org.uk/consumers/report-scam-unauthorised-firm
- Do not deal with any firm that you are unsure about

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at https://www.fca.org.uk/consumers/unauthorised-firms-individuals#list.

More detailed information on this or similar activity can be found on the FCA website at https://www.fca.org.uk/consumers/protect-yourself-scams.

https://www.schroders.com/sbot

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Diana Dyer Bartlett
Jemma Bruton
Tim Jenkinson
Justin Ward

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Aspect House
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Shareholder helpline: 0800 032 0641[1]
Website: www.shareview.co.uk

[1]Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the above address and telephone number above.

Other information
Shareholder enquiries
General enquiries about the Company should be addressed to the Company Secretary at the Company's Registered Office.

Dealing Codes
ISIN:	GB00BN7JZR28
SEDOL:	BN7JZR2
Ticker:	SBO

Global Intermediary Identification Number (GIIN)
QML9TQ.99999.SL.826

Legal Entity Identifier (LEI)
5493003UY8LIHFW6HM02

Privacy notice
The Company's privacy notice is available on its web pages.

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