Schroder BSC Social Impact Trust plc

A unique investment opportunity to address social challenges

Half Year Report and Accounts for the six months ended 31 December 2023





Schroders

BIG SOCIETY CAPITAL

Performance Summary (six months to 31 December 2023)

NAV per share total return*
0.4%
Six months to 31 December 2022: 1.7%

Share price total return*
–4.0%
Six months to 31 December 2022: –12.0%

Revenue return per share
1.03p
Six months to 31 December 2022: 0.87p

Share price
87.50p
30 June 2023: 93.50p

Share price discount to NAV per share*
–15.1%
30 June 2023: –10.9%

NAV per share*
103.05p
30 June 2023: 104.90p

Some of the financial measures are classified as 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 page 26 with supporting calculations where appropriate.

Investment objective

The Company's investment objective is to deliver measurable positive social impact as well as long term capital growth and income, through investing in a diversified portfolio of private market impact funds, co-investments alongside impact investors and direct investments in order to gain exposure to private market Social Impact Investments.

The Company aims to provide a Net Asset Value total return of CPI plus 2 per cent. per annum (once the portfolio is fully invested and averaged over a rolling three-to five-year period, net of fees) with low correlation to traditional quoted markets while helping to address significant social issues in the UK.

Why invest in the Company?

- **Transformational impact** – Capital for local social organisations and charities working with disadvantaged people in areas of high need across the UK.
- **Collective strengths** – Harnessing the combined strengths of Schroders and the highly experienced team led by Big Society Capital, a dedicated social impact investor and delegated portfolio manager of the trust.
- **Diversification** – Offering the potential for low correlation to other asset classes, providing attractive diversification benefits for investors.

INVESTMENT WEEK INVESTMENT COMPANY OF THE YEAR AWARDS 2023 WINNER GROUP OF THE YEAR

INVESTMENT WEEK SUSTAINABLE INVESTMENT AWARDS 2023 HIGHLY COMMENDED Best Newcomer Sustainable Fund

ESG Investing Awards 2024 WINNER

Scan this QR code on your smartphone camera to sign-up to receive regular updates on Schroder BSC Social Impact Trust plc

Interim Management Report

Interim Management Report

"The services offered by the Company's investments to the most vulnerable and disadvantaged groups remain as important as ever."

I am pleased to present the Company's half year report covering the six months to 31 December 2023.

Backdrop

Following two years of inflation and interest rate rises, the period under review saw stable interest rates, and the beginning of a downward trend in inflation. According to the latest forecasts from the Office for Budget Responsibility, inflation is now expected to fall below the Bank of England's 2% target by the second quarter of 2024, one year earlier than anticipated in the Autumn Budget.

However, this period also marked a technical recession in the UK, and the impact of the inflationary pressures on real incomes, alongside ongoing constraints on public spending, are expected to continue, putting pressures on the affordability of essential items such as housing, food and energy, and the provision of social care.

In this context, the services offered by the Company's investments to the most vulnerable and disadvantaged groups remain as important as ever.

We were pleased to see this recognised in March 2024 when the Company was named Best ESG Investment Fund: Impact (private markets), at the ESG Investing Awards: https://www.esginvesting.co.uk/awards/shortlistedfinalists/.

Financial performance

Overall, the Company's NAV per share dropped slightly from 104.9 pence to 103.1 pence, during the period, after fees and expenses and an interim dividend payment of 2.30 pence per share on 20 December 2023 (2022: 1.3p). The NAV total return was 0.4%. The largest positive contribution to the return came from investment income (1.46 pence per share), partially offset by valuation losses (0.52 pence per share) principally due to the write-down in the Bridges Evergreen portfolio disclosed in the quarterly NAV announcement to 30 September 2023 (published on 19 December 2023). Liquidity Assets had a positive contribution to NAV per share of 0.56p.

The share price total return during the period was –4.0% as the Company's shares were not immune to negative investor sentiment towards UK equities and alternative investment companies generally which continued to dominate the period.

A more detailed analysis of performance and additional information on investments in the period under review are included in the Portfolio Manager's Review.

Portfolio exits and new investments

During the period under review, or shortly thereafter, a number of the portfolio investments returned capital due to exits or having reached maturity. This allowed the Portfolio Manager to make new investments in areas of high impact. In December 2023, the Company announced a new investment in a community energy asset, Community Energy Together Limited ("CETL"). The investment contributes towards accelerating the transition to net zero, while also putting renewable energy into community hands and generating up to £20 million in community benefit funds which will go towards supporting communities in the 40% most deprived areas in the UK, according to the Index of Multiple Deprivation ("IMD"). This investment re-deploys capital returned from the partial exit from the Resonance Real Letting Property Fund LP in the first quarter of 2023, and scheduled debt repayments.

Social impact performance

The Company published its second annual Impact Report in June 2023, showcasing the meaningful roles our investees have played in communities across the UK, the engagement of our Portfolio Manager to support their success, and our impact management methodology.

As reported in the 2023 Impact Report the Company had committed £87 million, financing 168 organisations and reaching 276,000 people, of whom at least 94% were from disadvantaged and vulnerable backgrounds. The Company's investments helped fund over 27,000 affordable homes through the High Impact Housing asset class and generated over £98m of near-term value as savings for government and households. The full report is available on the Company's web pages: https://publications.schroders.com/view/257162579/.

The Company's investments are also contributing to addressing the specific social challenges created by rising energy costs. For example: Man Community Housing Fund received planning permission for a development of 226 zero carbon, 100% affordable homes. Heart of England Community Energy (backed by Triodos UK and the Community Investment Fund ("CIF")) generates enough power for 4,500 homes as well as providing wider community benefits.

We are planning to publish our third annual Impact Report during the second quarter of 2024.

Premium/discount management

During the period under review, the Company traded at an average discount to NAV of 11.8%. The Company's share price traded at a 15.1% discount to NAV at the period end, when the average discount across the UK investment trust market was 10.8%. As of 26 March 2024, the discount had widened to 24.44%.

At the 2023 Annual General Meeting shareholders approved renewal of the Company's issuance and buyback authorities for a further year. While the Board is conscious that buybacks shrink the size of the Company marginally in the short-term whilst also accretive to NAV per share, it remains our ambition to grow the Company through issuance in the long-term. Addressing the discount to NAV is critical to achieving this goal and the Board believes buybacks can be an effective tool in this regard. The Company bought back a total of 859,554 shares during the half year under review, all of which are currently held in treasury.

Outlook

The long-term effects of the recent economic instability are expected to continue, with real incomes remaining below pre-pandemic levels. The most vulnerable and disadvantaged people in the UK continue to be disproportionately affected, with an increase in social issues such as homelessness being recorded in 2023, continued pressures on affordability of essential goods and services, and prolonged pressure on public spending.

This leads to continued and growing demand for the services that the Company's investments are offering. The organisations funded by the Company deliver essential government-mandated services and derive a substantial proportion of their revenues from government-backed sources, which have been historically stable through economic cycles. Some of these government contracts are indexed to inflation, and the Company's portfolio includes some further inflation resilience through ownership of real assets such as housing and inflation-indexed leases.

An expected election in the UK in the next 12 months introduces further uncertainty around policy risk. The Portfolio Manager mitigates this policy risk by diversifying the portfolio across policy areas, and targeting areas with broad cross-party support, such as housing, health and social care, and energy resilience.

We welcome the new Sustainability Disclosure Requirements (SDR) regime and are looking forward to engaging with this once this is launched in July 2024. The framework marks an important milestone in the growth of the UK's impact investment market, and we believe will serve as a valuable guide for investors and fund managers in allocating more capital towards organisations delivering better outcomes for society.

Webinar/investor event

I would like to invite you to attend a webinar to be given by the Portfolio Manager on 28 March 2024 at 9.00 am, providing an opportunity to learn more about social impact investment, the Company's strategy and outlook, and to ask questions. Shareholders are encouraged to sign up using this link: https://registration.duuzra.com/form/SBSI24.

Susannah Nicklin
Chair

28 March 2024

Jeremy Rogers

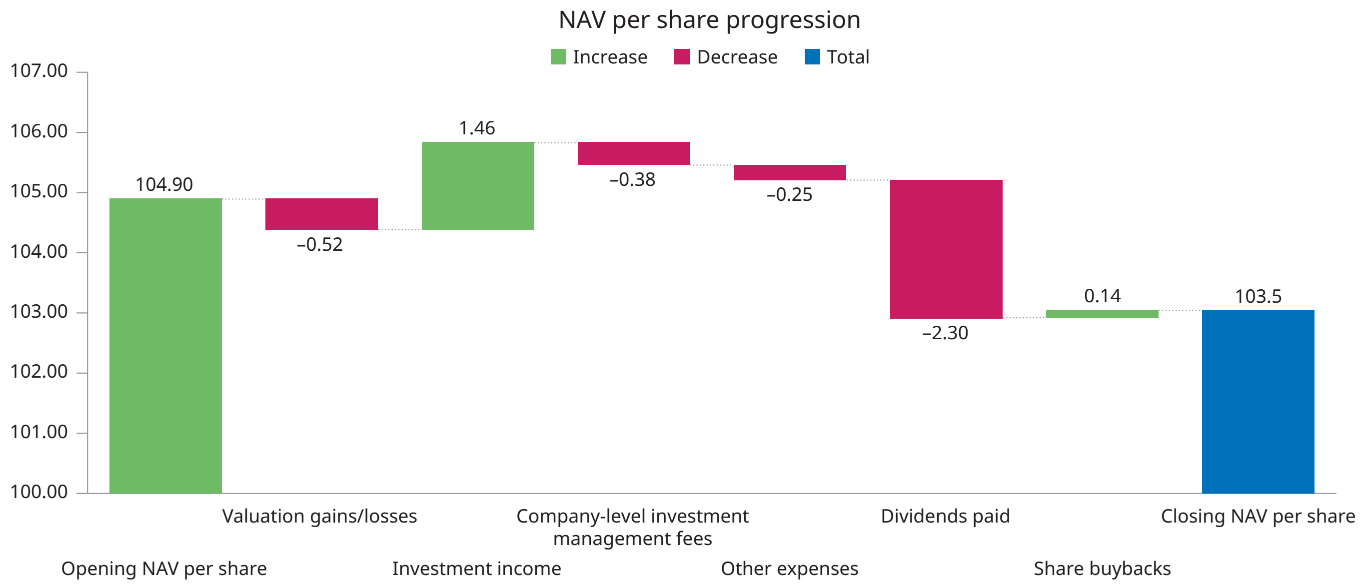
Hermina Popa

"Against this backdrop of much change the goals of the Company remain the same: to deploy capital into organisations creating significant, high social impact among the most disadvantaged groups in the UK, while delivering for shareholders high quality returns with low correlation to traditional quoted markets."

Portfolio performance

The NAV total return for the six-month period to 31 December 2023 was 0.4%. This resulted in a NAV total return since the 22 December 2020 initial public offering of 9.04%, or 2.90% annualised. For the six months under review, the Company's NAV per share fell from 104.90 pence to 103.05 pence. This follows a dividend payment of 2.30 pence per share in the period based on the Company's earnings, as set out in the NAV bridge below.

NAV Bridge progression 1 July – 31 December 2023



As shown in the table below, portfolio returns to date have been driven by the performance of more seasoned investments in their mature phase. Mature investments have contributed 10.55% to NAV total return since launch three years ago but detracted 0.17% from NAV total return during the six months under review, primarily due to write-downs in the Bridges Evergreen portfolio. Assets still in their investment phase are earlier in their life cycle, but have started to ramp up and contributed 0.55% to NAV total return in the 6 months to 31 December 2023. Once investments become fully deployed, they are re-classified as "Mature" in the portfolio. Based on capital drawn, Mature assets account for 68.4% of the portfolio as of 31 December 2023, compared to 63.4% on 30 June 2023, following the addition of the new investment in CETL announced on 19 December 2023.

Some of the Company's higher social impact investments involve the staged deployment of capital over multiple years; we aim to mitigate any cash drag on returns through our Liquidity Assets allocation. This is invested in assets with similar financial risk and return characteristics as the core asset allocation, although they have lower direct social impact given the low availability of social impact-focused assets in publicly listed markets. Liquidity Assets contributed a positive 0.55% to returns in the six months to 31 December 2023.

	31 Dec 2023 % NAV high impact exposure*	31 Dec 2023 % NAV invested	NAV total return contribution 6 months to 31 Dec 2023	NAV total return contribution since launch
Mature	69%	68%	–0.17%	10.55%
Investment phase	31%	23%	0.55%	2.30%
Liquidity Assets	–	7%	0.55%	–0.03%
Cash, fees, expenses & other costs	–	2%	–0.53%	–3.78%
	100%	100%	0.40%	9.04%

*High Impact Exposure = NAV of High Impact Investments + undrawn commitments. Total Company NAV of £86.3m as at 31 December 2023.

The top three drivers of financial performance in the six-month period to 31 December 2023 were:

– The Charity Bond Portfolio contributed 0.38 pence to NAV per share growth from interest income.

– The Charity Bank Co-Investment Portfolio contributed 0.26 pence to NAV per share growth, with floating rate loan interest benefitting from the increased Bank of England base rate during the period. Bridges Social Outcomes Fund II also contributed 0.26 pence to NAV per share growth because of income received from six projects within the portfolio, which have remained resilient through high inflation and challenging macro environment.

– Bridges Evergreen Holdings had a negative 1.11 pence contribution to NAV per share growth, due to a capital loss on the disposal of Agility Eco, relative to the previously recorded book value of the investment.

Portfolio exits

During the period (or shortly post period-end) there were a number of investments returning capital via maturities or exits, allowing the Company and the fund managers in its portfolio to reinvest the capital into new high impact investments:

- Capital returned to the Company:
  - Sue Ryder, in the Charity Bank co-investment portfolio, repaid its £2.6 million secured loan (with half the payment made during the period reported, and the balance repaid in January 2024), following a change in strategy which led the charity to divest its neurological facilities via a sale to Brainkind. Further details of the transaction are included in the Company's February 2024 Investor Update, which is available at schroders.com/sbsi.
- Exits at fund level:
  - Bridges Evergreen Holdings ("BEH") announced a sale of Agility Eco to M Group Service, which delivered a 3.4 times money multiple return on the original BEH investment (2.7 times since investment by the Company), further details on the transaction are included in the Company's February 2024 Investor Update.
  - One of the investments in the CIF portfolio, a £1.1 million loan to Resilient Energy Forest of Dean ("REFD") was refinanced by Thrive Renewables and Energy Prospects Co-operative. REFD, who operate two 500KW wind turbines in Gloucestershire, will remain in community ownership and continue to fund local community projects. Energy4All, who currently manage 33 renewable energy co-operatives, will support REFD as the commercial manager of the project.

Both of the above funds are evergreen, and exit proceeds are expected to be reinvested in new high social impact investments.

New investments

In December 2023, the Company announced a new debt investment in CETL, a community renewable energy project company, contributing to a 'Just Transition to Net Zero'. The investment is in the form of a junior loan of £3.6 million, alongside Big Society Capital and Power to Change[1]. This is the biggest completed transfer of community solar assets in the UK to date. The Junior Loan has a five-year term and targets an internal rate of return of 8.2% (fixed coupon of 7% p.a. and additional rolled up interest paid at exit). The investment is strongly aligned with the Company's investment thesis, delivering positive social outcomes for communities alongside a good risk adjusted financial return. CETL's assets also benefit from government-backed, inflation linked cash flows. CETL is a partnership of five community organisations that have acquired seven cross-collateralised solar farm assets across the UK. These solar farms benefit from government backed subsidies (Feed-in-Tariffs and Renewables Obligation Certificate schemes) and the assets are funded on a cross-collateralised basis for scale and risk-sharing. The Junior Loan has a five-year term with a flexible repayment profile and carries a fixed coupon of 7% per year plus rolled up payment-in-kind interest (1.5% per year in years one to three and 2.5% per year in years four to five). In addition to economic value creation and renewable energy generation, any surplus cash flow after covering costs and debt service obligations is allocated towards community benefit funds, benefitting areas in the 40% most deprived areas in the UK based on the IMD. CETL is forecast to generate total community benefit funds in the region of £20m over the assets' lifetime of 20-25 years.

We are currently in the advanced stages of making a new investment in the High Impact Housing asset class, into a new fund focused on increasing the supply of affordable, energy efficient housing into the areas of highest need (40% most deprived areas in the UK based on the IMD and high local authority waiting lists). The investment is expected to deliver good risk-adjusted returns, with high inflation-linked and government-backed revenue sources.

[1] Power to Change is an independent charitable trust, established in 2015 with a £150 million endowment from The National Lottery Community Fund. Its aim is to accelerate the growth and impact of community business in England, through growing the sector, transforming places and making the case for investment in the community business sector.

Social impact

The portfolio continues to deliver strong social impact performance benefiting more disadvantaged groups across four key impact themes: reducing poverty and inequality; good health and wellbeing; education, training and decent work; and a just transition to net zero.

Social outcomes reported in the period include:

– Two new investments made by the Bridges Social Outcomes Fund: Healthy Lives Together ("Thrive II"), the extension of a successful social prescribing contract[2] (case study included later in this report on page 14); and the North Yorkshire Coast Better Outcomes Partnership Limited (Turning Tides), which will aim to protect, promote, and improve the emotional resilience, and wellbeing of young people aged between 15-21 years in Scarborough Borough (now part of North Yorkshire unitary authority) and Redcar & Cleveland Borough, by providing preventative support for young people showing early signs of struggling with their emotional resilience and wellbeing at challenging transitionary points in their lives.

– In July 2023, the CIF made a new £884k commitment to Cornerstone Place, to fund the development of 14 self-contained affordable homes for individuals experiencing homelessness or instability in Rochdale – the Whitworth Road project. These innovative homes are designed for sustainability and energy efficiency, using modern construction methods like modularity and renewable materials. This translates to reduced energy costs, a smaller carbon footprint, and most importantly, safe and secure shelter for the local community. The investment has been named "Social Enterprise Investment Deal of the Year" at the UK Social Enterprise Awards 2023.

– Another new investment by CIF to Social AdVentures funded the purchase of a property in Tameside to be used as a residential children's home.

– The Social and Sustainable Housing fund ("SASH") portfolio now includes 20 borrowers who have secured 459 properties, housing 799 tenants.

Effective solutions to alleviate the housing crisis

Rents have increased in the UK by 9.7% since last year[2], and the supply of good quality rental properties is constrained – highlighting a growing need for good quality, affordable housing. Our high impact housing investments to date, and our anticipated new investment in an affordable housing fund, are designed to help address this critical problem in areas of highest need.

The transformative funding model used by one of the other holdings in the Company's portfolio, The Resonance Real Lettings Property Fund 1, has been highlighted in a new report by Alma Economics[3], commissioned by Big Society Capital and published on 12 March 2024. The fund, and others subsequently launched by Resonance, are called homelessness property funds and were developed to help alleviate a key bottleneck in the provision of transitional accommodation, which entails high costs to local authorities, whilst delivering suboptimal outcomes for people affected by homelessness. They have acquired properties, refurbished them, and now lease them to partners, including homelessness charities and housing associations, who, in turn, lease them to households that are statutory homeless.

The research estimates that the funds managed by Resonance have saved local and central government £140 million on temporary accommodation expenditure plus other homelessness costs on healthcare, mental health and criminal justice services in the last ten years. Furthermore, tenants are provided high-quality accommodation that enables access to wraparound care, delivering proven enhancement to wellbeing and further quantifiable savings.

Just transition to net zero

Recent geopolitical events have caused concerns around the UK's energy security, leading to rising prices and increased fuel poverty. This, alongside the climate emergency, emphasises the importance of clean energy. Our investment in CETL contributes to funding 37MW of installed solar capacity, in seven solar farms, owned by community groups in the UK and generating funds earmarked for alleviating local poverty and inequality, and taking climate action.

We will be publishing a full review of the Company's social impact performance in our third annual social impact report in the second quarter of 2024.

Portfolio cash flows and balance sheet

During the period under review, £5.6 million was drawn down into new and existing investments as follows:

– The majority of the capital (£5.0 million) was deployed into the Debt and Equity for Social Enterprises asset class: £3.6 million investment into the new CETL loan, and £1.0 million drawn by Abbeyfield York (in the Charity Bank Co-Investment portfolio) for the development of 25 purpose-built quality homes for older people who require supported housing; the CIF distributed excess balance sheet cash to the Company, and later re-drew a portion of that capital to fund the new investment into Social AdVentures.

– In the High Impact Housing allocation, £479k was drawn by SASH, contributing towards the purchase of 111 properties.

– Within Social Outcomes Contracts, as described above, further investment was made into projects supporting young people at risk of homelessness, improving the quality of life of people living with long term health conditions via social prescribing[4], and delivering improvements on the challenges of refugee integration. The fund was a net distributor of capital after capital distributions from existing projects.

Liquidity Assets investments sit within a broader set of tools to manage Company cash and commitment levels, with the central objective of contributing to the Company's target returns and impact goals by minimising the amount of unproductive cash held prior to deployment. In the current environment of heightened inflation, we believe this allocation is particularly important to reduce the cash drag impact on the performance of the Company. This allocation can be invested in bond funds, real estate investment trusts, infrastructure trusts and other liquid investments that align with the Company's liquidity requirements, meet high sustainability requirements and are compliant with the Company's investment policy.

During the six months under review, we reduced our Liquidity Assets holdings by £3.5 million, to fund drawdowns in the High Impact Portfolio, as well as ongoing share buybacks.

As of 31 December 2023, the Company's Liquidity Assets holdings had a value of £6.2 million (7% of NAV) and were invested in four funds: during the period we exited our position in Vontobel Fund TwentyFour Sustainable Short Term Bond Income Fund and

[2] Zoopla, via CBRE.
[3] https://bigsocietycapital.com/latest/3300-out-of-temporary-accomodation/
[4] NHS definition: Social prescribing is a key component of Universal Personalised Care. It is an approach that connects people to activities, groups, and services in their community to meet the practical, social and emotional needs that affect their health and wellbeing.

reduced holdings in the Rathbone Ethical Bond Fund, TwentyFour Sustainable Enhanced Income ABS Fund and Greencoat UK Wind by £2.5 million.

At 31 December 2023, 85% of our Liquidity Assets portfolio is invested in instruments with returns that are floating rate and/or benefit from rising inflation. Liquidity Assets had a positive of 0.55% contribution to performance in the period under review.

Portfolio allocation (31 Dec 2023)

As of 31 December 2023.

Outlook

After a period of high volatility in interest rates and inflation, the period under review is the first in two years when rates remained stable, and inflation started to decrease. On the other hand, the UK economy tipped into recession during the second half of 2023.

On 6 March 2024, the Chancellor issued what is likely to be the last fiscal update before a general election, this included updated forecasts from the Office for Budget Responsibility indicating a return to modest economic growth this year, alongside the expectation that inflation would fall below the Bank of England target of 2% by the second quarter of 2024, one year earlier than estimated in the 2023 Autumn budget.

However, the impact of the inflationary period remains profound, with real incomes remaining below pre-pandemic levels[5].

Public finances remain constrained, with minimal real growth in public spending of 1% above inflation, raising concerns about funding availability for key areas of need, such as adult social care[6], "children and families struggling in poverty"[7], or the crisis of "rising hunger, hardship, and debt"[8].

Homelessness and access to appropriate housing remain significant and growing problems, with the number of people sleeping rough increasing by 27% in 2023, and escalating costs of temporary accommodation putting pressure on county council finances to the point of potential bankruptcy[9].

With continued pressures on government spending, the scaling of proven solutions tackling social issues – such as the organisations that the Company supports – remains as essential as ever.

Resilience to economic cycles and political change

The continuing uncertain economic environment provides opportunities and risks for the Company. While the solutions provided by the organisations that the Company supports are needed more than ever, these organisations need to manage higher cost bases themselves in order to remain viable. We work with organisations with long track records (30 years on average[10]), who have demonstrated their resilience over multiple economic cycles. Two thirds of our capital is invested in models with revenues rising with inflation; while our historical returns, to date, are lagging the Company's CPI+2% target, we are maintaining our target for the medium-to-long term, as we expect some of the benefits to flow through with a lagged effect, as the inflation and interest rate environment stabilise. What we have seen in the last year was an increase in the income generated by the portfolio, as a result of increases in the interest rate on floating-rate loans, and higher income generated by maturing investments. This increased income is being passed on to our investors as a dividend: with the publication of the 2023 Annual Report and Accounts, we increased our dividend guidance to 2-3% yield on NAV (versus the previous target of 1-2%), reflecting the increased income from the portfolio.

With a general election expected in the next 12 months, we acknowledge our portfolio is subject to policy risk. At the time of writing, 70% of our committed capital is underpinned by government-backed revenues. Our portfolio is diversified across multiple policy areas, mostly targeting the most vulnerable and disadvantaged groups. Successful interventions in these areas typically generate savings for the government that are multiples of the cost, and therefore these areas benefit from cross-party

[5] https://www.instituteforgovernment.org.uk/comment/five-things-we-learned-spring-budget-2024
[6] https://www.careengland.org.uk/spring-budget-the-governments-last-chance-saloon/
[7] Action for Children charity, as quoted by the BBC (https://www.bbc.co.uk/news/live/uk-politics-68465603)
[8] Trussell Trust's Helen Barnard as quoted by the BBC (https://www.bbc.co.uk/news/live/uk-politics-68465603)
[9] https://www.theguardian.com/society/2024/feb/29/number-of-people-sleeping-rough-in-england-rises-for-second-year-running
[10] SBSI Impact Report, June 2023

support. We further mitigate policy risk by working with organisations that have been successfully operating for several decades, navigating different policy environments, and making investments that benefit from some element of asset backing.

Ahead of a general election this year Big Society Capital has been engaging with all major political parties to ensure that policy makers are aware and educated about social impact investment and the opportunity for government to partner with investors for public benefit.

We are providing politicians and civil servants with specific policy measures which could help incentivise more investment at scale into social impact initiatives. We are also showcasing innovative examples of how government budgets can be allocated to bring in private capital for example through the use of social outcomes partnerships or through blended finance approaches.

Against this backdrop of much change the goals of the Company remain the same: to deploy capital into organisations creating significant, high social impact among the most disadvantaged groups in the UK, while growing our NAV above inflation and generating diversified returns for our shareholders.

Jeremy Rogers, Hermina Popa

Big Society Capital

28 March 2024

Portfolio Overview (31 December 2023)

Name	Asset type	Invested	Invested as % of NAV	Exposure	Exposure as % of NAV	Investment focus	Example revenue sources	Example social outcomes
UK Affordable Housing Fund	High Impact Housing	£10.3m	12%	£10.3m	12%	Delivering sustainable and affordable housing in areas of need	Key worker rental payments	Increased supply of, and access to, affordable homes
Social and Sustainable Housing	High Impact Housing	£9.2m	11%	£10.0m	12%	Housing for vulnerable people	Supported Housing payments	Housing for survivors of domestic abuse
Resonance Real Lettings Property Fund	High Impact Housing	£5.5m	6%	£5.5m	6%	Leasing “move-on accommodation” to charities	Housing Benefit	Transition from homelessness to independent living
Man Group Community Housing Fund	High Impact Housing	£8.1m	9%	£10.1m	12%	Delivering additional affordable housing	Housing Benefit	Increased supply of, and access to, affordable homes
Charity Bond Portfolio	Debt and Equity for Social Enterprises	£14.9m	17%	£14.9m	17%	Bonds issued by charities	Gov’t social care contracts	Physical and mental health
Bridges Evergreen Capital	Debt and Equity for Social Enterprises	£11.8m	14%	£11.8m	14%	Long-term capital for social enterprises	Gov’t social care contracts	Access to quality care services
Charity Bank Co-Investment Facility	Debt and Equity for Social Enterprises	£5.1m	6%	£5.1m	6%	Senior secured loans to charities	NHS payments, trading income	Improved quality of life for long term conditions
Community Investment Fund	Debt and Equity for Social Enterprises	£5.3m	6%	£5.6m	6%	Fund to invest in locally led neighbourhood-based organisations	Feed in Tariff Renewable Energy revenues	Community benefit generated by renewable energy projects, used to address fuel poverty and climate action
Community Together Energy Limited	Debt and Equity for Social Enterprises	£3.6m	4%	£3.6m	4%	Junior loan to a collective of community benefit societies to acquire seven solar farms across England and Wales	Feed in Tariff Renewable Energy revenues	Generation of £20m community benefit funds over asset lifetime to be allocated to local projects
Triodos Bank UK Bond Issue	Debt and Equity for Social Enterprises	£2.5m	3%	£2.5m	3%	Private bond issued by Triodos bank	Trading income	Social housing, healthcare, education, renewable energy, arts & culture, and community projects
Bridges Social Outcomes Fund	Social Outcomes Contracts	£2.9m	3%	£7.1m	8%	Outcomes contracts across themes	Gov’t outcome payments	Supporting children to remain with their families
Liquidity Assets								
Bluefield Solar Income Fund Ltd	Liquidity Assets	£2.3m	3%					
TwentyFour Sustainable Enhanced Income ABS Fund	Liquidity Assets	£1.5m	2%					
Greencoat UK Wind Plc	Liquidity Assets	£1.5m	2%					
Rathbone Ethical Bond Fund	Liquidity Assets	£0.9m	1%					

Debt and Equity for Social Enterprise: Community Energy Together Limited (CETL)

Community renewable energy project company, contributing to a 'Just Transition to Net Zero'

Challenge

Geopolitical developments have highlighted risks around the UK's energy security. Increased prices for consumers exacerbated a cost-of-living crisis, leaving people in fuel poverty. The need for clean energy amidst the climate crisis is also a major concern for countries across the globe, and the UK is committed to being Net Zero by 2050.

Investable Solution

Impact	A group of five community organisations have taken seven solar assets into their ownership. The community ownership helps to generate funding for local social and environmental projects in the form of grants. Beneficiaries include local organisations combatting fuel poverty, and providing relief for other areas of disadvantage (such as domestic abuse and homelessness) as well as local projects taking climate action. The projects are located in areas ranked within the lowest 40% in the IMD.
Financial model	The energy generated from the site is sold to the national grid. These solar farms benefit from government backed subsidies (Feed-in-Tariffs and Renewables Obligation Certificate schemes), which provide a minimum price for the energy sold, and yearly inflation indexing. The Junior Loan has a five-year term with a flexible repayment profile, and second-ranking security over the cross-collateralised assets of the seven solar farms comprising CETL – mitigating performance risks related to any single solar farm.

IMP Impact Dimensions:

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
Community Benefit Fund distributing money to local social and environmental projects and access to renewable energy.	Local residents at risk of fuel poverty and other disadvantage, and local projects taking climate action.	The projects across the Community Energy Together group are expected to generate an estimated £20m of community benefit over the assets' lifetime.	The solar farms provide unrestricted grants to catalyse local community projects.	Alignment and execution risk, mitigated by asset lock[11] and Community Benefit Society structure.

[11] An asset lock is a legal clause that prevents the assets of a company from being used for private gain rather than the stated purposes of the organisation. Asset locks are enshrined in the articles of association of Community Benefit Societies.

High Impact Housing: Handcrafted (Social and Sustainable Housing fund)

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

11 SUSTAINABLE CITIES AND COMMUNITIES

Changing the lives of people who have experienced disadvantage and social exclusion through supported housing and holistic support including training and skills development, and integration into work and the community

Challenge

People experiencing disadvantage, such as physical or mental health challenges, unemployment, addiction or homelessness, as well as people coming out of secure settings (such as prison or care) often experience social isolation. This impacts their mental health, placing additional barriers to their rebuilding their lives. Stable accommodation is a critical part of holistic support to help people break chaotic and destructive cycles and can help build an individual's confidence.

Investable Solution

Impact	Handcrafted supports disadvantaged and socially isolated people in Durham, Gateshead and Chester-le-Street, by providing supported accommodation, alongside skills training to empower people to turn their own lives around. In particular, the charity has developed strong experience and expertise working with young people with complex needs and those coming out of prison, care or other secure settings. Handcrafted are currently providing supported housing to 50 people, and they also support over 500 people with skills and therapy workshops.
Financial model	A £2m secured loan from SASH enabled Handcrafted to purchase 23 properties and house at least 26 people, expanding the charity's existing supported accommodation services and moving their reliance away from rental to owned properties.

IMP Impact Dimensions:

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
Handcrafted provides individuals with complex needs with shared housing and support, alongside skills training, to enable them to transition to independent living.	High needs individuals including those struggling with their mental health, homelessness, addictions, and social isolation; particular experience and expertise working with young people with complex needs and those coming out of prison or secure settings.	23 properties, housing at least 26 people.	The additional SASH-funded units have high levels of demand, with strong support from local commissioners. Handcrafted has a reputation for having better success particularly with young people and those that local commissioners struggle to place with other providers.	Execution risk is mitigated by the management team's experience in delivering the provision to an excellent standard, having outperformed against KPIs measuring contract performance. The high quality of its services has resulted in extra demand and more beneficiaries seeking support.

Social Outcomes Contracts: Thrive II (Bridges Social Outcomes Fund II)

A social prescribing programme supporting people with specific long-term health conditions in North East Lincolnshire to improve their health & wellbeing.

3 GOOD HEALTH AND WELL-BEING

Challenge

Hospital waiting lists in the UK are rising, over 15 million people in the UK have long-term health conditions, and around 70% of NHS funding goes on treating these conditions[12]. There is a need for government to find cost-effective solutions to managing health services. Social outcomes contracts provide a method of public service delivery that is more flexible, more personalised, more accountable, and at a lower cost per person.

Investable Solution

Impact	Thrive II uses a social prescribing model to encourage early intervention in healthcare. This includes connecting people to resources and helping them meet practical, social, and emotional needs. Access to specialist services improves lifestyle and the quality and efficiency of care. The delivery partners are local organisations with a track record of providing the services contracted, including Centre4 (under the Thrive.NEL brand), who manages the programme through a dedicated link worker team, and a range of local voluntary, community and social enterprise organisations who support programme delivery.
Financial model	Social investors pay up front costs and receive their investment back when pre-agreed outcomes are achieved. Payments for outcomes are made by the Humber and North Yorkshire Integrated Care Service based on improvement in participants' wellbeing, measured with the Wellbeing Outcomes Star[13]. Reduction in primary and secondary care usage is also measured.

IMP Impact Dimensions:

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
Social prescribing programme to improve the health and wellbeing of people with specific long-term health conditions through lifestyle changes. After the successful delivery of this programme for five years, under a previous Bridges fund, the local NHS has decided to recommission the service for an additional five years.	People with specific long-term health conditions across Northeast Lincolnshire.	Over 3,000 people supported over 5 years (2023-2028) through a 12-month programme.	Improvement in health & wellbeing of people with long-term health conditions, and a reduction in primary and secondary care usage relieving pressure on local care services.	Execution risk is mitigated through the experience of delivery partners in providing the contracted services and long-standing relationships with local authorities, as well as the managers previous experience delivering social prescribing programmes through outcomes contracts across the UK.

[12] https://www.nuffieldtrust.org.uk/resource/care-and-support-for-long-term-conditions#:~:text=Background,with%20medication%20or%20other%20therapies
[13] https://www.outcomesstar.org.uk/using-the-star/see-the-stars/well-being-star/

Investment Portfolio
at 31 December 2023

Holding	Nature of Interest	Listed/ unlisted	Country of incorporation	Industry Sector	Carrying value[1] £'000	Total investments %
UK Affordable Housing Fund	Equity Shares	Unlisted	United Kingdom	Investor in Affordable and Social Housing	10,230	11.9
Social and Sustainable Housing LP	Limited Partnership Interest	Unlisted	United Kingdom	Investor in Affordable and Social Housing	9,173	10.6
Man GPM RI Community Housing 1 LP	Limited Partnership Interest	Unlisted	United Kingdom	Investor in Affordable and Social Housing	8,062	9.3
Resonance Real Lettings Property Fund LP	Limited Partnership Interest	Unlisted	United Kingdom	Investor in Affordable and Social Housing	5,476	6.3
High Impact Property					**32,941**	**38.1**
Bridges Evergreen Capital LP	Limited Partnership Interest	Unlisted	United Kingdom	Investor in Profit-With-Purpose Organisations	11,818	13.7
Community Investment Fund	Limited Partnership Interest	Unlisted	United Kingdom	Investor in Communities Supporting Social Inclusion and Change	5,268	6.1
Community Energy Together	Debt Investment	Unlisted	United Kingdom	Renewable Energy	3,600	4.2
Triodos Bank UK Limited 2020 Bond 4% 23/12/2030	Fixed Income Security	Unlisted	United Kingdom	Ethical Banking	2,500	2.9
Rathbones Bond Portfolio: Hightown Housing Association 4% 31/10/2029	Fixed Income Security	Listed	United Kingdom	Charity (Affordable and Social Housing)	2,483	2.9
Rathbones Bond Portfolio: Dolphin Square Charitable Foundation 4.25% 06/07/2028	Fixed Income Security	Listed	United Kingdom	Charity (Affordable and Social Housing)	2,450	2.8
Rathbones Bond Portfolio: Greensleeves Homes Trust 4.25% 30/03/2026	Fixed Income Security	Listed	United Kingdom	Charity (Care Services)	2,357	2.7
Rathbones Bond Portfolio: RCB Bonds PLC 3.5% 08/12/2033	Fixed Income Security	Listed	United Kingdom	Ethical Banking	2,223	2.6
Charity Bank Co-Invest Portfolio: Abbeyfield York 3.6% 12/05/2049	Fixed Income Security	Unlisted	United Kingdom	Charity (Care Services)	2,000	2.3
Charity Bank Co-Invest Portfolio: Uxbridge United Welfare Trust 2.85% 20/12/2033	Fixed Income Security	Unlisted	United Kingdom	Charity (Community and Social Housing)	1,687	2.0
Rathbones Bond Portfolio: Thera Trust 5.5% 31/03/2024	Fixed Income Security	Unlisted	United Kingdom	Charity (Care Services)	1,650	1.9
Rathbones Bond Portfolio: Alnwick Garden Trust 5% 27/03/2030	Fixed Income Security	Listed	United Kingdom	Charity (Public Gardens)	1,500	1.7
Charity Bank Co Invest Portfolio: Sue Ryder FRN 04/12/2043	Fixed Income Security	Unlisted	United Kingdom	Charity (Medical)	1,208	1.4
Rathbones Bond Portfolio: Golden Lane Housing 3.9% 23/11/2029	Fixed Income Security	Listed	United Kingdom	Charity (Affordable and Social Housing)	952	1.1
Rathbones Bond Portfolio: B4RN (Broadband for Rural North Limited) 4.5% 30/04/2026	Fixed Income Security	Unlisted	United Kingdom	Communications for Rural Communities	865	1.0
Rathbones Bond Portfolio: Coigach Community CIC 5.248% 31/03/2030	Fixed Income Security	Unlisted	United Kingdom	Renewable Energy	217	0.3
Charity Bank Co-Invest Portfolio: Abbeyfield Southdowns 3.35% 26/7/2044	Fixed Income Security	Unlisted	United Kingdom	Charity (Care Services)	205	0.2
Debt and Equity for Social Enterprises					**42,983**	**49.8**
Bridges Social Outcomes Fund II LP	Limited Partnership Interest	Unlisted	United Kingdom	Social Outcomes Contracts	2,895	3.4
Social Outcomes Contracts					**2,895**	**3.4**
Bluefield Solar Income Fund	Equity Shares	Listed	Guernsey	Diversified	2,311	2.7
TwentyFour Sustainable Enhanced Income ABS Fund	Equity Shares	Listed	Luxembourg	Diversified	1,538	1.8
Greencoat UK Wind Plc Fund	Equity Shares	Listed	United Kingdom	Diversified	1,534	1.8
Rathbone Ethical Bond Fund	Equity Shares	Listed	United Kingdom	Diversified	867	1.0
Liquidity Assets					**6,250**	**7.3**
Total investments[2]					**85,069**	**98.6**
Cash and cash equivalents					1,537	1.8
Other net liabilities					(308)	(0.4)
Total Shareholder's funds					**86,298**	**100.0**

[1] Fixed income securities amounting to £22,296,000 are included at amortised cost. These include investments amounting to £11,965,000 which are listed, but traded in inactive markets.
[2] Total investments comprise:

	£'000	%
Unquoted	66,854	78.6
Listed in the UK	14,366	16.9
Listed on a recognised stock exchange overseas	3,849	4.5
Total	**85,069**	**100.0**

Principal Risks and Uncertainties

The Board has determined that the key risks for the Company are strategic risk, continuity risk, investment management risk, liquidity risk, valuation risk, cyber security risk, and economic, policy, and market risk. Additionally, the Board also discussed and monitored a number of risks that could potentially impact the Company's ability to meet its strategic objectives. These were rising inflation and interest rates, the threat of a UK recession, and volatile energy prices. The Board has determined they are not currently material for the Company. These risks are set out on pages 47 to 49 of the Report and Accounts for the year ended 30 June 2023.

In addition, the Board is mindful of the forthcoming general election in the United Kingdom. In all other respects, the Company's principal risks and uncertainties, and their mitigation, have not changed materially since the publication, on 27 October 2023, of the Annual Report, and are not expected to change materially for the remaining six months of the Company's financial year.

Going concern

The Board has considered the Company's principal risks and uncertainties (including whether there are any emerging risks); has scrutinised the detailed cash flow forecast; and has considered their assessment of the likelihood and quantum of funds which could be raised from sales of investments. As a result, the Board is comfortable that the Company will have sufficient liquid funds to pay operating expenses.

On this basis, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the Company's accounts.

Related party transactions

During the six months ended 31 December 2023, there has been a smaller related party transaction for the purposes of the Listing Rules in relation to the debt investment in CETL. The Company's £3.6 million debt investment in CETL, comprising 4.2% of the Company's investment portfolio as of 31 December 2023, was made by way of the sale of a £3.6 million direct junior loan to CETL previously owned by the Portfolio Manager. The Portfolio Manager retains a £2.4 million investment in the junior loan.

The Board has enhanced oversight procedures in place for such related party transactions.

Directors' responsibility statement

The directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in July 2022 and that this Interim Management Report includes a fair review of the information required by 4.2.7 R and 4.2.8 R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The half-yearly financial report has not been audited nor reviewed by the Company's auditor.

Signed on behalf of the Board of directors.

Susannah Nicklin
Chair

28 March 2024

Financial

Financial

Statement of Comprehensive Income
for the six months ended 31 December 2023 (unaudited)

	Note	(Unaudited) For the six months ended 31 December 2023 Revenue £'000	Capital £'000	Total £'000	(Unaudited) For the six months ended 31 December 2022 Revenue £'000	Capital £'000	Total £'000	(Audited) For the year ended 30 June 2023 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss		–	(433)	(433)	–	921	921	–	(1,020)	(1,020)
Income from investments		1,130	–	1,130	1,119	–	1,119	2,695	–	2,695
Other interest receivable and similar income		161	–	161	28	–	28	77	–	77
Gross return/(loss)		**1,291**	**(433)**	**858**	**1,147**	**921**	**2,068**	**2,772**	**(1,020)**	**1,752**
Management fee		(172)	(172)	(344)	(168)	(168)	(336)	(334)	(334)	(668)
Administrative expenses		(254)	–	(254)	(238)	–	(238)	(464)	–	(464)
Net return/(loss) before finance costs and taxation		**865**	**(605)**	**260**	**741**	**753**	**1,494**	**1,974**	**(1,354)**	**620**
Finance costs		–	–	–	–	–	–	–	–	–
Net return/(loss) before taxation		**865**	**(605)**	**260**	**741**	**753**	**1,494**	**1,974**	**(1,354)**	**620**
Taxation	3	–	–	–	–	–	–	–	–	–
Net return/(loss) after taxation		**865**	**(605)**	**260**	**741**	**753**	**1,494**	**1,974**	**(1,354)**	**620**
Return/(loss) per share	4	**1.03**	**(0.72)**	**0.31**	**0.87**	**0.88**	**1.75**	**2.32**	**(1.59)**	**0.73**

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/(loss) after taxation is also the total comprehensive income for the period.

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

Statement of Changes in Equity

For the six months ended 31 December 2023 (unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 June 2023		853	10,571	72,319	3,019	1,991	88,753
Repurchase of the Company's own shares into treasury		–	–	(781)	–	–	(781)
Dividend paid	5	–	–	–	–	(1,934)	(1,934)
Net (loss)/return after taxation		–	–	–	(605)	865	260
At 31 December 2023		**853**	**10,571**	**71,538**	**2,414**	**922**	**86,298**

For the six months ended 31 December 2022 (unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 June 2022		853	10,571	72,993	4,373	1,126	89,916
Dividend paid	5	–	–	–	–	(1,109)	(1,109)
Net return after taxation		–	–	–	753	741	1,494
At 31 December 2022		**853**	**10,571**	**72,993**	**5,126**	**758**	**90,301**

For the year ended 30 June 2023 (audited)

	Note	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 June 2022		853	10,571	72,993	4,373	1,126	89,916
Repurchase of the Company's own shares into treasury		–	–	(674)	–	–	(674)
Dividend paid	5	–	–	–	–	(1,109)	(1,109)
Net (loss)/return after taxation		–	–	–	(1,354)	1,974	620
At 30 June 2023		**853**	**10,571**	**72,319**	**3,019**	**1,991**	**88,753**

Balance Sheet
at 31 December 2023 (unaudited)

	Note	(Unaudited) 31 December 2023 £'000	(Unaudited) 31 December 2022 £'000	(Audited) 30 June 2023 £'000
Fixed Assets				
Investments held at fair value through profit or loss		62,772	67,433	64,199
Investments held at amortised cost		22,297	22,290	22,583
		85,069	**89,723**	**86,782**
Current assets				
Debtors		348	292	401
Cash at bank and in hand		1,537	1,361	2,089
		1,885	**1,653**	**2,490**
Current liabilities				
Creditors: amounts falling due within one year		(656)	(1,075)	(519)
Net current assets		**1,229**	**578**	**1,971**
Total assets less current liabilities		**86,298**	**90,301**	**88,753**
Net assets		**86,298**	**90,301**	**88,753**
Equity attributable to equity holders				
Called-up share capital	6	853	853	853
Share premium		10,571	10,571	10,571
Special reserve		71,538	72,993	72,319
Capital reserves		2,414	5,126	3,019
Revenue reserve		922	758	1,991
Total equity shareholders' funds		**86,298**	**90,301**	**88,753**
Net asset value per share (pence)	7	**103.0**	**105.84**	**104.90**

Registered in England and Wales as a public company limited by shares.

Company registration number: 12902443

Cash Flow Statement

For the six months ended 31 December 2023 (unaudited)

	(Unaudited) For the six months ended 31 December 2023 £'000	(Unaudited) For the six months ended 31 December 2022 £'000	(Audited) For the period ended 30 June 2023 £'000
Net cash inflow from operating activities	**840**	**598**	**1,116**
Investing activities			
Purchases of investments	(5,694)	(3,938)	(7,833)
Sales of investments	7,017	4,500	9,279
Net cash inflow from investing activities	**1,323**	**562**	**1,446**
Net cash inflow before financing	**2,163**	**1,160**	**2,562**
Financing activities			
Dividend paid	(1,934)	(1,109)	(1,109)
Repurchase of the Company's own shares into treasury	(781)	–	(674)
Net cash outflow from financing activities	**(2,715)**	**(1,109)**	**(1,783)**
Net cash (outflow)/inflow in the period	**(552)**	**51**	**779**
Cash at bank and in hand at the beginning of the period	**2,089**	**1,310**	**1,310**
Net cash (outflow)/inflow in the period	**(552)**	**51**	**779**
Cash at bank and in hand at the end of the period	**1,537**	**1,361**	**2,089**

1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 30 June 2023 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in July 2022.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 June 2023.

3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The Company intends to continue meeting the conditions required to retain its status as an Investment Trust Company, and therefore no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

4. Return per share

	(Unaudited) For the six months ended 31 December 2023 £'000	(Unaudited) For the six months ended 31 December 2022 £'000	(Audited) For the year ended 30 June 2023 £'000
Revenue return	865	741	1,974
Capital (loss)/return	(605)	753	(1,354)
Total return	**260**	**1,494**	**620**
Weighted average number of shares in issue during the period	84,273,938	85,316,586	85,132,892
Revenue return per share (pence)	1.03	0.87	2.32
Capital (loss)/return per share (pence)	(0.72)	0.88	(1.59)
Total return per share (pence)	**0.31**	**1.75**	**0.73**

5. Dividend paid

	(Unaudited) For the six months ended 31 December 2023 £'000	(Unaudited) For the six months ended 31 December 2022 £'000	(Audited) For the year ended 30 June 2023 £'000
2023 dividend paid of 2.30p (year ended 30 June 2023: 1.30p)	1,934	1,109	1,109

No dividend has been declared in respect of the six months ended 31 December 2023.

6. Called-up share capital

Changes in called-up share capital during the period were as follows:

	(Unaudited) For the six months ended 31 December 2023 £'000	(Unaudited) For the six months ended 31 December 2022 £'000	(Audited) For the year ended 30 June 2023 £'000
Opening balance	846	853	853
Repurchase of shares into treasury	(9)	–	(7)
Sub total of allotted, called up and fully paid:	837	853	846
Shares held in treasury	16	–	7
Closing balance	**853**	**853**	**853**

Changes in the number of shares in issue during the period were as follows:

	(Unaudited) For the six months ended 31 December 2023 £'000	(Unaudited) For the six months ended 31 December 2022 £'000	(Audited) For the year ended 30 June 2023 £'000
Ordinary Shares of 1p each	84,604,866	85,316,586	85,316,586
Repurchase of shares into treasury	(859,554)	–	(711,720)
Sub total of allotted, called up and fully paid:	83,745,312	85,316,586	84,604,866
Shares held in treasury	1,571,274	–	711,720
Closing balance of shares in issue	**85,316,586**	**85,316,586**	**85,316,586**

7. Net asset value per share

	(Unaudited) 31 December 2023	(Unaudited) 31 December 2022	(Audited) 30 June 2023
Net assets attributable to shareholders (£'000)	86,298	90,301	88,753
Shares in issue at the period end	83,745,312	85,316,586	84,604,866
Net asset value per share (pence)	**103.05**	**105.84**	**104.90**

8. Financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise certain investments held in 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.

At 31 December 2023, the Company's investments held at fair value, were categorised as follows:

	31 December 2023 £'000	31 December 2022 £'000	30 June 2023 £'000
Level 1	6,250	12,780	9,342
Level 3	56,522	54,653	54,857
Total	**62,772**	**67,433**	**64,199**

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 31 December 2022 and year ended 30 June 2023: nil).

9. Uncalled capital commitments

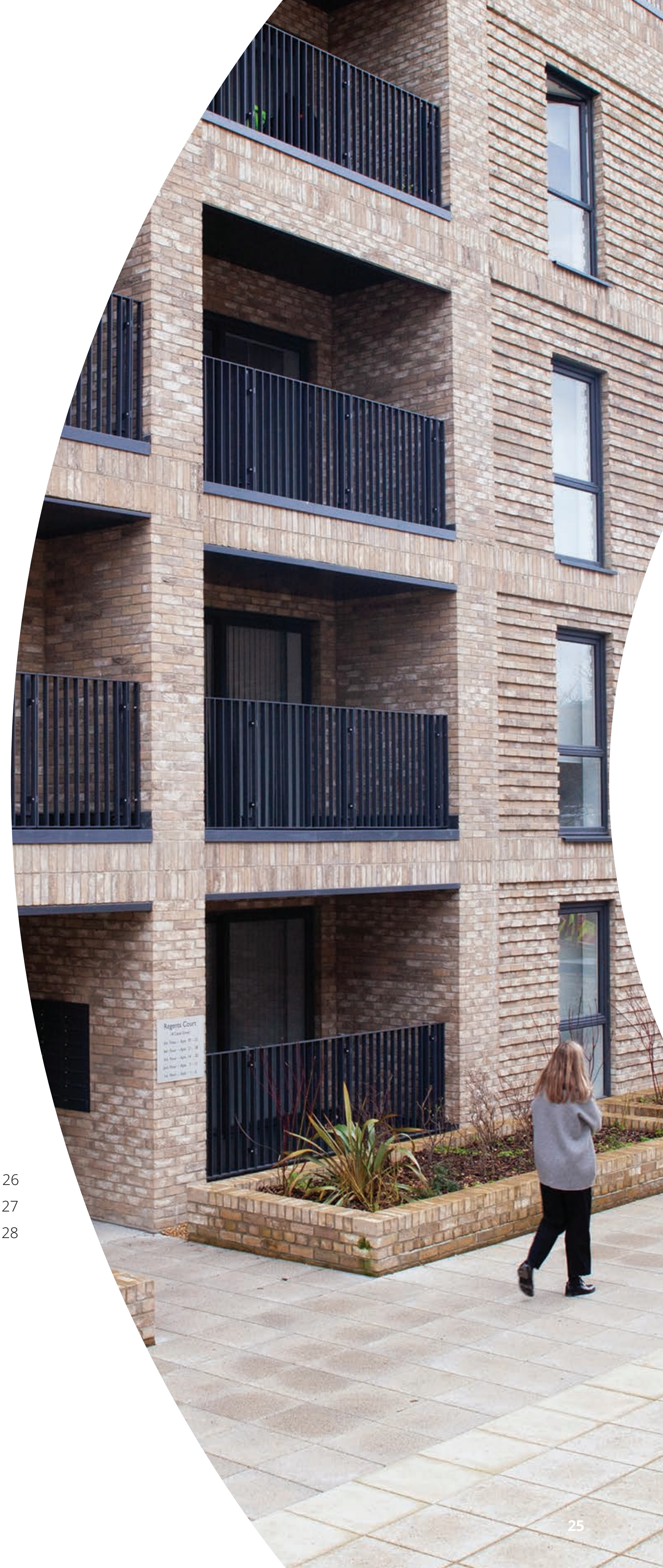
At 31 December 2023, the Company had uncalled capital commitments amounting to £7,403,000 (31 December 2022: £13,573,000 and 30 June 2023: £8,749,000) in respect of follow-on commitments, which may be drawn down or called by investee entities, subject to agreed notice periods.

10. Events after the interim period that have not been reflected in the financial statements for the interim period

In the period from the date of the interim financial statements to 26 March 2024, 368,771 shares were bought back into treasury.

Other than above, the directors have evaluated the period since the interim date and have not noted any events which have not been reflected in the financial statements.

Other Information



Other Information

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 as 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 asterisk.

Net asset value ("NAV") per share

The NAV per share of 103.05p (30 June 2023: 104.90p) represents the net assets attributable to equity shareholders of £86,298,000 (30 June 2023: £88,753,000) divided by the 83,745,312 (30 June 2023: 84,604,866) shares in issue (excluding shares held in treasury) at the period/year end.

Total return*

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either the assets of the Company at its NAV per share at the time the shares were quoted ex-dividend (to calculate the NAV per share total return) or in additional shares of the Company (to calculate the share price total return).

The NAV total return for the period ended 31 December 2023 is calculated as follows:

Opening NAV at 30/6/23	104.90p
Closing NAV at 31/12/23	103.05p

Dividend received	XD date	NAV on XD date	Factor
2.30p	9/11/23	104.22p	1.0221

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	+0.40%

The NAV total return for the period ended 31 December 2022 is calculated as follows:

Opening NAV at 30/6/22	105.39p
Closing NAV at 31/12/22	105.84p

Dividend received	NAV on XD date	XD date	Factor
1.30p	3/11/22	104.29p	1.0124

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	+1.7%

The share price total return for the period ended 31 December 2023 is calculated as follows:

Opening share price at 30/6/23	93.50p
Closing share price at 31/12/23	87.50p

Dividend received	XD date	Share price on XD date	Factor
2.30p	9/11/23	90.00p	1.0256

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	–4.0%

The share price total return for the period ended 31 December 2022 is calculated as follows:

Opening share price at 30/6/22	106.50p
Closing share price at 31/12/22	92.50p

Dividend received	XD date	Share price on XD date	Factor
1.30p	3/11/22	96.50p	1.0135

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	–12.0%

Discount/premium*

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. The discount or premium is expressed as a percentage of the NAV per share. The discount at the period end amounted to 15.1% (30 June 2023: 10.9% discount), as the closing share price at 87.50p (30 June 2023: 93.50p) was 15.1% lower (30 June 2023: 10.9% lower) than the closing NAV of 103.05p (30 June 2023: 104.90p).

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 register.fca.org.uk
- Report the matter to the FCA by calling 0800 111 6768 or visiting 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 fca.org.uk/consumers/unauthorised-firms-individuals#list.

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

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar. This is the most secure and efficient method of payment and ensures that you receive any dividends promptly. If you do not have a UK bank or building society account, please contact Equiniti for details of their overseas payment service. Further information can be found at www.shareview.co.uk, including how to register with Shareview Portfolio and manage your shareholding online.

www.schroders.com/sbsi

Directors

Susannah Nicklin (Chair)
Mike Balfour
James B. Broderick
Alice Chapple

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Portfolio Manager

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Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Shareholder helpline: 0800 032 0641
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.

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the address set out above.

Dealing Codes

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Ticker:	SBSI

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