EUROPEAN OPPORTUNITIES TRUST PLC

Annual Report & Accounts

for the year ended
31 May 2021

DEVON
Equity Management

THE COMPANY’S INVESTMENT OBJECTIVE

The objective of European Opportunities Trust PLC (the “Company”) is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, taking into account economic trends and business development.

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FINANCIAL HIGHLIGHTS
for the year ended 31 May 2021

Net asset value total return[1] (with dividends added back)

1.2%

This performance was below that of the Company's benchmark, the MSCI Europe Total Return Index in GBP, which increased by 24.6%.

Share price total return[1] (with dividends added back)

0.1%

Your Company's share price at 31 May 2021 was 750p.

Shareholders' funds

£879m

Gross assets, including drawn down bank debt of £65m, were £944m.

Discount to net asset value[1]

(9.0)%

Your Company's share price traded at an average discount of (10.4)% during the year ended 31 May 2021. The European sector average, as measured by the Association of Investment Companies, was a discount of (5.1)% as at 31 May 2021.

	31 May 2021	31 May 2020	% change
Net asset value per share (pence)	824.29	817.72	0.8
Net asset value total return (with dividends added back)[1]			1.2
Middle market share price (pence)	750.00	753.00	(0.4)
Share price total return (with dividends added back)[1]			0.1
MSCI Europe Total Return Index in GBP (Benchmark)			24.6
Dividend per share (pence)	2.0	3.5	
Discount to net asset value at year end (%)[1]	(9.0)	(7.9)	
Ongoing charges ratio (%)[1, 2]	0.99	0.99	

[1] Alternative Performance Measure. For definitions please refer to the Calculation of Alternative Performance Measures and Glossary of Terms on pages 80 to 83.
[2] Excluding finance costs (interest on the Company's loan facility).

LONG TERM TRACK RECORD

To 31 May 2021	3 years %	5 years %	10 years %	Since launch on 20.11.2000 %	Annualised return since launch %
Net asset value total return (with dividends added back)[1]	7.8	54.8	174.6	821.9	11.5
Share price total return (with dividends added back)[1]	(0.6)	46.7	174.3	698.4	10.7
MSCI Europe Total Return Index in GBP (Benchmark)	23.0	66.4	109.4	213.0	5.7

As at 31 May	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Shareholder funds (£m)	231.6	340.8	409.2	558.4	613.9	795.0	873.2	927.5	922.9	879.0
Market capitalisation (£m)	205.9	346.2	417.1	563.2	591.3	772.1	863.2	919.3	849.9	799.8
Net asset value per share (p)	291.1	403.6	451.4	546.3	550.2	712.5	778.9	822.2	817.7	824.3
Share price (p)	257.8	410.0	460.0	551.0	530.0	692.0	770.0	815.0	753.0	750.0
Discount/premium to NAV (%)[1]	(11.4)	1.6	1.9	0.9	(3.7)	(2.9)	(1.1)	(0.9)	(7.9)	(9.0)
Revenue (£'000)	2,316	4,094	4,021	4,517	7,445	8,765	6,257	6,252	4,658	2,339
Revenue return per share (p)	2.9	5.1	4.5	4.8	6.8	7.9	5.8	5.6	4.1	2.1
Dividend per share (p)	5.3	1.9	3.5	3.8	5.5	6.5	6.5	5.5	3.5	2.0
Ongoing charges ratio (%)[1, 2]	1.17	1.17	1.09	0.96	1.08	0.99	0.91	0.90	0.99	0.99
Net gearing (%)[1]	22.0	16.5	11.6	6.0	14.0	7.7	4.9	6.3	0.0	7.0

Year on year performance to 31 May	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net asset value total return (with dividends added back)[1]	(6.4)	39.3	12.7	21.8	1.4	30.5	10.2	6.4	0.1	1.2
Share price total return (with dividends added back)[1]	(9.3)	59.8	13.0	20.5	(3.1)	31.6	11.3	6.7	(6.9)	0.1
MSCI Europe Total Return Index in GBP (Benchmark)	(18.6)	37.7	12.0	5.2	(4.7)	32.3	2.3	0.6	(1.9)	24.6

1 Alternative Performance Measure. For definitions please refer to the Calculation of Alternative Performance Measures and Glossary of Terms on pages 80 to 83.

2 Excluding finance costs (interest on the Company's loan facility).

Source: MSCI & Devon Equity Management Limited. Past performance is no guide to the future.

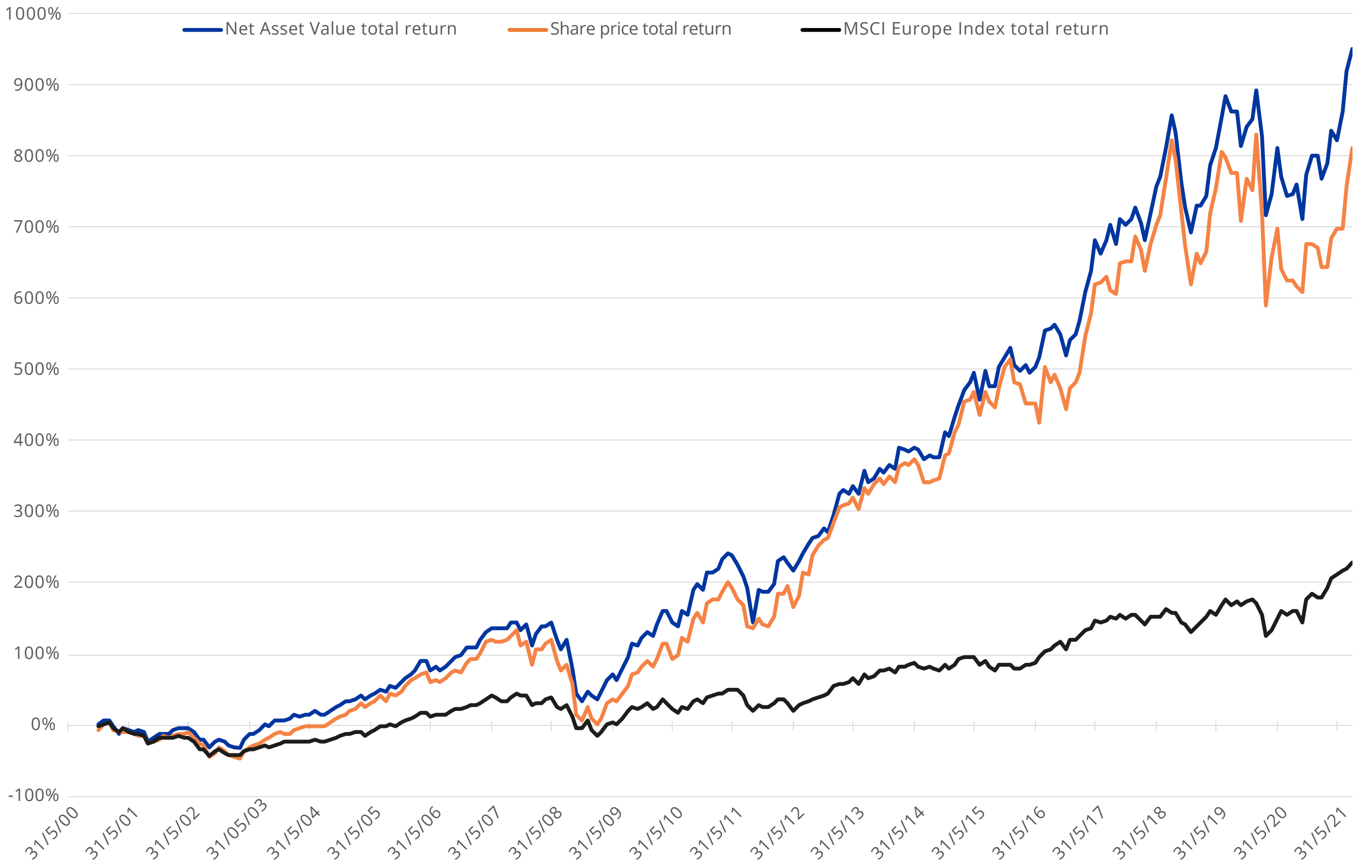
CHAIRMAN'S STATEMENT

I am pleased to present the Company's twenty first annual report and audited accounts since its launch, covering the twelve months ended 31 May 2021.

The year under review has been an exceptionally challenging period for your Company. During the twelve months to 31 May 2021 the total return on the net asset value per share of the Company was 1.2% (with dividends added back). This compares with a total return from the Company's benchmark index, the MSCI Europe Total Return Index, of 24.6% and a total return on the middle market price of the Company's shares of 0.1% during the same period. The background to the performance of your Company over the course of the financial year is discussed in detail by Alexander Darwall in the Investment Manager's Review on pages 8 to 13.

There are signs of a recovery in our performance since the year end; the net asset value per share had increased by 14.7% to 945.74p between 1 June and 31 August 2021, outperforming the benchmark index which rose by 5.4%. The market price of the Company's shares increased by 14.9% to 862p between 1 June and 31 August.

Over the life of the Company from launch in November 2000 to 31 August 2021 the annualised total return on the net asset value per share has been 12.1% and the annualised total return on the share price has been 11.3%.The Company has bounced back strongly from periods of underperformance in the past and I see no reason to doubt that it will do so again. The Company's performance since launch may be illustrated as follows:



Source: MSCI & Devon Equity Management Limited. Total return performance is calculated with dividends added back. Past performance is no guide to the future.

Wirecard

I commented in detail on our former investment in Wirecard in my statement to the 2020 annual report and in my interim report to 30 November 2020. The Company's performance in the past financial year was severely impacted by the disclosure of a suspected fraud at Wirecard when its auditors, Ernst & Young, declined to sign off on its year end accounts in June 2020. The entire holding was sold by our Investment Manager on 18 June 2020 on the day of the public disclosure by the company of those circumstances. We realised a profit over the term of this investment despite the price at which those shares were sold. Wirecard has since been placed into liquidation and its former management are subject of ongoing regulatory and criminal investigations.

ESG

The new European Sustainable Finance Disclosure Regulation (SFDR), now incorporated into UK law, establishes both process and prescriptive requirements for firm and product-level Environmental, Social, and Governance ('ESG') disclosure. The UK financial services regulators, the Prudential Regulatory Authority ('PRA') and the Financial Conduct Authority ('FCA'), are seeking to ensure that climate and environmental factors are fully integrated into mainstream financial decision making. Regulated investment firms are obliged to make financial decisions which take the risks and opportunities from ESG matters into account.

Our Investment Manager meets all these regulatory obligations by explaining its investment decisions relative to sustainability risks, demonstrating that it understands the pertinent issues. It does not anticipate major changes in the portfolio or in its investment style in the foreseeable future because of these new requirements. However, we consider that Devon is well prepared to meet the challenges of these increasingly demanding regulations: it has signed up to the Principles for Responsible Investment and it has deepened its research capability through its recent recruits to its investment team. Details of our ESG policies are set out on pages 23 and 24 of this report.

Board composition

Philip Best has served on your Board since May 2009. The Board does not believe that his length of service, of itself, has any bearing on his independence or ability to fulfil his fiduciary duties towards our shareholders. However, we recognise the need to refresh the composition of the Board from time to time and Philip is therefore not seeking re-election as a Director of the Company at the Annual General Meeting in 2021. On behalf of the Board and our shareholders I would like to thank Philip for his huge contribution to the Company throughout his many years of service.

On 1 September 2021, the Board announced the appointments of Matthew Dobbs and Jeroen Huysinga as non-executive Directors of the Company. Both Matthew and Jeroen have considerable investment management experience and both have managed investment trusts in the past. Further details about Matthew and Jeroen are set out on pages 29 and 30 and we welcome them to the Board.

I intend to retire from the Board at the Annual General Meeting in 2022, with the intention of providing a period of handover to our new Board members.

With the exception of Philip Best, all Directors who have held office throughout the financial year are offering themselves for re-election at the forthcoming Annual General Meeting. Matthew and Jeroen are automatically subject to formal election by shareholders at the Annual General Meeting following their appointment to the Board.

Dividend

A resolution to declare a final dividend of 2.0p per share will be proposed at the Annual General Meeting on 10 November 2021, payable on 26 November 2021 to shareholders on the Register of Members on 22 October 2021. The ex-dividend date is 21 October 2021. The cost of this dividend is covered by the Company's distributable revenues during the financial year under review and exceeds the minimum that the Company is obliged to distribute under applicable law.

The Company's stated objective is to achieve shareholder returns primarily through capital growth. However, in order to qualify as an investment trust, the Company is not permitted to retain more than 15% of eligible investment income arising during any accounting period. Accordingly, the Board's policy is to propose a modest annual dividend and one at least sufficient to enable the Company to maintain its investment trust status.

The declaration of the dividend as a final dividend will provide shareholders with an opportunity to express their approval on the matter, in line with corporate governance guidelines. In the unlikely event that shareholders were to vote against the resolution at the Annual General Meeting to pay a final dividend then the Directors would pay an equivalent interim dividend, as otherwise the Company would be likely to lose investment trust status, with potentially disastrous tax consequences for a large number of its shareholders.

Gearing

At the end of the financial year under review, the net gearing level on the Company's investments was 7.0% (after offsetting cash deposits against the £65 million drawn down on that date). The Investment Manager tends to increase gearing at times of perceived low valuations, while reducing it as markets recover. This approach has added sustained value over the course of your Company's history. The Investment Manager will continue to consider the use of gearing as a tactical tool to improve returns.

Subsequent to the financial year end the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch on 10 September 2021 with a maximum drawable amount of £100 million available until September 2022 and credit approval for an additional 'accordion' amount available upon application for a further £50 million.

Discount management

The Board considers that it is not in shareholders' interests for the ordinary shares of the Company to trade at a significant discount to the prevailing net asset value ('NAV'). The Board's policy is to maintain the discount in single digits, in normal market conditions. As at the financial year end on 31 May 2021 the discount was 9.0%. The discount has fluctuated during the year and has at times been above 10%; consequently there have been a number of share repurchases during the period. As at 14 September 2021 the discount was 10.9%.

Whilst the Board believes that the most effective means of minimising any discount at which the ordinary shares may trade is for the Company to deliver strong, consistent, long-term performance from the investment portfolio (in both absolute and relative terms), wider market conditions and other considerations will affect the rating of the ordinary shares from time to time. The Board is therefore committed to seeking to limit the level of volatility of the discount to the NAV at which the ordinary shares may trade by seeking to repurchase ordinary shares when they believe it to be in the interests of shareholders to do so.

In determining whether a share purchase would enhance shareholder value, the Board will take into account market conditions, the Company's performance, any known third-party investors or sellers, the impact on liquidity and total expense ratios and of course the level of discount to net asset value at which the shares are trading. Any purchases will only be made at prices below the prevailing net asset value and where the Board believes that such purchases will enhance shareholder value.

A total of 6,228,471 shares were repurchased into treasury during the period under review (with an aggregate value of £44.2 million) and a further 832,000 shares (with an aggregate value of £6.3 million) have been repurchased since the financial year end (as at 14 September 2021) pursuant to the Board's discount management policy. The repurchase of shares at a discount to NAV has added a total of £5.3 million to the Company's NAV during the period under review. Ordinary shares held in treasury may only be reissued by the Company at prices representing a premium to the NAV per ordinary share as at the date of re-issue.

Annual General Meeting

The Company's Annual General Meeting will be held on 10 November 2021 at 11:00 a.m. Notice of the Annual General Meeting, containing full details of the business to be conducted at the meeting, is set out on pages 90 and 91 of this report. Your attention is also drawn to the Directors' Report on pages 35 and 36, where various resolutions relating to special business are explained.

In addition to the formal business, Alexander Darwall will provide a presentation to shareholders on the performance of the Company over the past year as well as an outlook for the future. Subject to any restrictions in place as a result of Covid-19, the Board would welcome your attendance at the AGM as it provides shareholders with an opportunity to ask questions of both the Board and of the Investment Manager.

Please note that we have removed paper from the voting process so as to reduce the environmental impact of the Company. Electronic proxy voting is now available and shareholders named on the Company's register may submit voting instructions using the web-based voting facility at **www.signalshares.com** and **www.proxymity.io** for institutional shareholders. If you have not already registered with Signal Shares you will need your Investor Code which can be found on your share certificate or a recent dividend confirmation. Once registered, shareholders will be able to vote immediately by selecting 'Proxy Voting' from the menu. If shareholders are unable to submit voting instructions electronically they may obtain a paper proxy form from the Company's registrar, Link Group, whose contact details are set out on page 87. Shareholders who hold their shares through a platform should contact the platforms customer services team for details of how to register their vote.

The voting results will be posted on the website following the Annual General Meeting and the Board will also make the customary announcement to the London Stock Exchange.

Outlook

2020 and, now, 2021 have been dominated by the Covid-19 pandemic. The long-term effects of the pandemic on the global economy and on lives, livelihoods and businesses will doubtless be felt for years to come. Yet it is at times like these that active funds have the best opportunity to lay the foundations upon which long-term outperformance can be built. Our active philosophy empowers our fund manager to invest according to his convictions. We believe that our portfolio is well-placed to adapt and perform.

On behalf of the Board, I would like to express my thanks to all of our shareholders and stakeholders for their continuing support.

Andrew Sutch
Chairman
22 September 2021

INVESTMENT MANAGER'S REVIEW

The total return on the net asset value of the Company's ordinary shares was 1.2% during the twelve months to 31 May 2021. This compares with a total return of 24.6%, by the Company's benchmark, the MSCI Europe Total Return Index.

Stimulative monetary and fiscal policies have boosted equity valuations, just as debts, both government and corporate, have soared during the period under review. Low interest rates and printing more money in the West were the salient features explaining strong equity markets. The European Central Bank's ('ECB') main refinancing rate remains at 0%, as it has been for the last five years; and the 3-month Euribor interest rate was -0.54% at the end of May 2021, a new historic low.

Europe's stock market performance compares well with the MSCI World Total Return Index which returned 22.5%; the S&P500 returned 21.7%; and the Nasdaq Composite Index was up 26.7%, an indication that technology stocks were a main driver of markets around the world. Japan's Nikkei-225 was up 14.5%; the MSCI AC Asia ex-Japan gained 31.7% and the MSCI Latin America Index increased by 29.1%. The Hang Seng index, too, was up 13.8% – its relatively poor performance a reflection of severe political challenges. Nevertheless, the International Monetary Fund's ('IMF') April 2021 GDP forecasts underscore the view that Europe has been more badly damaged than other regions of the world. The IMF estimates that world GDP contracted by 3.3% in 2020; and it expects a 6% bounce in 2021. These numbers compare with its forecasts for the European Union of a 6.1% contraction in 2020 and a 4.4% improvement in 2021. To judge from the IMF's forecasts, the big winners are China and other Asian economies, which barely missed a beat in 2020 yet are expected to grow rapidly in 2021. The Chinese economy is forecast to grow by 8.4% this year. The relative GDP performance of Europe is mirrored in earnings expectations. IBES (market consensus) forecasts MSCI Europe corporate earnings to rebound by 43% in 2021 after a fall in earnings of 26% in 2020. The US (S&P500) numbers are 37% and -13% respectively.

Note: All performance figures are in sterling.

Performance

Our performance in the period under review was the worst in the Company's 21-year history. Whilst the demise of Wirecard, a matter which we have covered extensively in previous reports, is an element of the explanation, it is not the only reason. Simply put, our portfolio did not participate in the most buoyant investment themes during the period under review. Investors' confidence that debts can easily and cheaply be refinanced was a significant reason for the market extending the valuations of loss-making, more speculative companies. These included many new electric economy companies engaged in activities such as the production of green hydrogen and 'circular economy' stocks. Although there is great enthusiasm for these new businesses, they are not yet proven. Technical challenges and high costs are likely to stymie the widespread adoption of some of these new ideas. Other areas of strong market performance were metals, and infrastructure and building materials stocks, beneficiaries of the massive stimulus packages in the US and Europe. To put it another way, lower value-added, capital-intensive businesses have significantly outperformed higher value-added, more capital-light businesses.

Our strategy has always been to invest in companies with structural growth, low capital needs and high value-added.

Positioning

Much of the immediate adjustment to the Covid-19 era was made just before the start of the period under review. In early 2020, we anticipated a severe squeeze on consumer incomes, though that is not how it turned out, and sold holdings, mainly travel related, which depended on buoyant consumer spending. As a result, the portfolio tilted towards business-related spending rather than consumer-related spending. Nevertheless, our investment style has not changed: the portfolio consists of the same number of stocks (c.35 securities), companies that are typically differentiated, high value-added, capital-light, global, profitable, and with less debt than the average company in the Benchmark index. We expect these companies to enjoy relatively good levels of demand visibility.

Despite the massive impact of Covid-19 and the policy responses, we believe that economic reality will assert itself in due course. The Company's portfolio is well positioned for the challenges that will present themselves when the prop of 'Quantitative Easing' (Q.E.), printing money, is removed (as surely it will be). At that point, structural winners through the cycle will be better valued than cyclical stocks. Q.E. has swept all before it. Yet it is storing up problems for the future. The massive stimulus packages in Europe and the US have driven demand to levels that will be hard to sustain. Our companies which are less volume-dependent are well positioned for this eventuality. Moreover, there are undoubtedly significant inflationary pressures from rising commodity prices. The oil price, for instance, rose sharply in the period under review. The US dollar price of WTI crude climbed 86.9% and has continued to rise since. Metals and soft commodity prices have also risen very significantly. Our companies are not particularly impacted by these pressures. Furthermore, with mounting signs of inflation, interest rate hikes are increasingly likely. Our companies generally have less debt and higher profitability than the average company in the index. As a result, again, we are less concerned. Underpinning our positioning is the view that over the cycle, differentiated, value-adding businesses will outperform. Innovation should be rewarded with pricing power. Greater geographic reach, as is typical with our companies, is both a validation of a successful strategy and also increases greatly the addressable market.

Contribution to performance (Stocks) 12 months

The following two tables detail which stock positions had the greatest impact on performance during the period, both positive and negative. The impact is the result of the Company's holdings versus the benchmark and the relative price performance of the stock over the period, all of which are calculated on a buy and hold basis and include the impact of foreign currency rates.

Positive contributors

Security	Portfolio weight 31.05.2021 %	Benchmark weight 31.05.2021 %	Price 12 months %	Contribution to NAV return %
Intermediate Capital Group	7.91	–	72.19	3.51
Arrow Global Group	4.03	–	295.97	2.85
Genus	7.64	–	45.77	2.13
ASML Holding	2.50	2.10	81.23	1.51
Infineon Technologies	3.34	0.45	69.23	1.50
Dassault Systemes	7.82	0.27	18.73	1.24
SOITEC	3.43	–	69.41	1.21
Novo Nordisk 'B'	9.80	1.29	8.19	0.75
Edenred	3.38	0.14	16.75	0.45
RELX	8.67	0.49	1.25	0.24

Negative contributors

Security	Portfolio weight 31.05.2021 %	Benchmark weight 31.05.2021 %	Price 12 months %	Contribution to NAV return %
Wirecard	–	0.01	(57.63)	(6.14)
bioMerieux	4.89	0.06	(29.81)	(2.11)
Grenke	1.08	–	(25.48)	(2.08)
Grifols	5.63	0.09	(21.91)	(1.56)
Deutsche Boerse	5.55	0.35	(11.51)	(1.05)
Ubisoft Entertainment	3.00	0.08	(17.89)	(0.84)
Experian	9.39	0.36	(2.64)	(0.22)
Gaztransport Et Technigaz	2.03	–	3.20	(0.11)
Network International Holdings	0.43	–	(14.16)	(0.06)
OHB	0.35	–	(15.86)	(0.05)

INVESTMENT MANAGER'S REVIEW continued

The biggest single contributor to our performance in the period under review was Intermediate Capital Group (ICG). It invests in private equity, credit, and debt. Around the world, institutions are allocating more resources to the private markets. This favourable trend and the long-term commitment of funds make for high visibility and underpin our confidence that the company will deliver good returns for the foreseeable future.

Arrow Global Group ('Arrow Global') was the next biggest contributor. The share price rose sharply after an offer was made for the company; a takeover has been agreed.

Genus was another significant contributor. The company is a world leader in porcine and bovine genetics. There is increasing demand across their major business lines and in all the main global markets. A particular opportunity is in China where there is a realistic prospect that Genus will increase its market share tremendously in the medium term. There is an even bigger prize, the introduction of gene editing for one of the main porcine respiratory diseases. Trials for this proprietary technology are well advanced. There is a realistic prospect of success which will open a significant commercial opportunity. We have reinforced the holding.

The move to the digital economy, bolstered by the roll out of 5G, has been a boon to the semiconductor industry. Accordingly, Infineon has made a positive contribution to performance. Its strength in power semiconductors plays well with the new electric economy. Where electric power efficiency is concerned – automotive, hand-held tools, wearables and other 5G applications – Infineon has world-leading positions and should benefit further as 5G applications gain ground.

Dassault Systemes, a holding since 1996, was another positive contributor. Its continuing success in CAD/CAM with core aerospace and automotive customers, has been complemented by successfully developing new verticals in, notably, life sciences and city planning. The scale of their ambitions is impressive; and they have the necessary ingredients to achieve much more.

Another long-standing holding, and our biggest position, is Novo Nordisk. It made a modest positive contribution to our performance. Nevertheless, we do not believe that the strength of Novo Nordisk's business and its fine prospects are adequately reflected in its valuation presently. The company enjoys a globally dominant position, together with one competitor, in the treatment of diabetes. This is a favourable position addressing a worsening diabetes pandemic. In addition, the company has approved 'best in class' drugs for severely obese patients. This is a big and growing market.

Edenred also made a positive contribution. This French company processes and promotes 'specific purpose money', operating schemes for governments and corporates which want to give benefits to employees for specific purposes. A typical example of their activity is the administration of food voucher schemes for corporates, their original core activity. The move from paper-based vouchers to digital vouchers is good news for Edenred; as is the rise of 'virtual canteens' in place of corporate canteens.

The biggest single 'hit' to performance was Wirecard. We sold the entire holding on the day that the fraud was reported by the company in June 2020. We have written extensively about this issue in previous reports.

The marked underperformance of bioMérieux shares is due to the company's warning that Covid-19 related demand in the US has fallen sharply. However, the future success of bioMérieux is about much more than Covid-19. They fulfil many other diagnostic needs including the reliable, fast detection of pneumonia, meningitis, and influenza. We are firmly of the view that there is a structural increase in the need for diagnostics to tackle infectious diseases and to reduce antibiotic use. Accordingly, we have retained this position.

In September 2020, Grenke was assailed by an investigative financial research group which accused the company of "widespread fraud and predatory practices". As a precaution we sold the holding. The company initiated a series of audits which have taken nearly nine months to complete, an indication that these audits have been exceptionally thorough. Over this nine-month period the company released interim findings of these audits, all of which confirmed our view that the company's management was honest and that the allegations were without foundation. Thus, we decided to take a new, small position in Grenke. The company's financial auditors duly announced an unqualified audit for 2021. Although, in our view, the company has been vindicated, it has been damaged by the unwarranted allegations. We believe that it will now recover strongly.

Deutsche Boerse was also a negative contributor to performance. It prospers most when there is uncertainty in financial markets and when interest rates are higher. Neither condition was apparent in the reporting period. However, we can easily imagine a more favourable backdrop for Deutsche Boerse and have retained the position.

Experian, the world's biggest credit bureau and credit analytics company, made a slightly negative contribution. This is a major holding in the portfolio, a reflection of our confidence that it is a high-quality company which we expect to deliver good returns whatever the macroeconomic conditions. Results and guidance are encouraging. We attribute the shares underperformance to the concern that the Biden administration will disrupt the existing, favourable industry structure. We do not believe that this is a likely eventuality because Experian's business is already well aligned with policymaker objectives: greater consumer protection and control. Indeed, what sets Experian apart from its peers is that it has established a successful direct-to-consumer credit business. It remains a core holding.

Contribution to performance (Sectors) 12 months

The following two tables detail which sectors positions had the greatest impact on performance during the period, both positive and negative. The impact is the result of the Company's holdings versus the benchmark and the relative price performance of the stock over the period, all of which are calculated on a buy and hold basis and include the impact of foreign currency rates.

Positive contributors

Sector	Portfolio weight 31.05.2021 %	Benchmark weight 31.05.2021 %	Price 12 months %	Contribution to NAV return %
Financials	18.60	15.44	21.75	3.23
Materials	0.60	8.12	75.27	0.17
Consumer Staples	2.80	13.74	4.94	0.16
Industrials	19.20	14.32	0.58	0.13
Consumer Discretionary	1.60	11.02	4.52	0.09

Negative contributors

Sector	Portfolio weight 31.05.2021 %	Benchmark weight 31.05.2021 %	Price 12 months %	Contribution to NAV return %
Healthcare	29.00	15.04	(2.94)	(0.86)
Communication Services	3.00	4.01	(17.89)	(0.84)
Energy	2.00	4.43	3.20	(0.11)
Information Technology	23.20	7.65	(0.04)	(0.10)

Activity

We established several new positions during the period under review. The biggest was Soitec, a company which modifies silicon wafers with its proprietary technology to improve power efficiency. Its unique technology means that the company is singularly well placed to benefit as 5G is rolled out. 5G will drive a range of new opportunities such as 'wearables' where 'always on' low power consumption is critical. Soitec is important in delivering such solutions.

We also bought back into shares in adidas. We had previously sold the shares believing that the company would suffer from a squeeze in consumer spending. However, results over the last twelve months have been excellent. Demand has been buoyant, not least in China where the brand appears to have improved its standing in the eyes of consumers. The industry structure, dominated by Nike and adidas, is a favourable one; digital technologies are strengthening their leadership position; and demand trends are good for adidas.

It is many years since we bought shares in an 'Initial Public Offering' (IPO). However, we participated in the IPO of Darktrace, a UK listed company which provides cyber security software. What sets the company apart is its platform which uses unsupervised machine learning to detect cyber threats. The announcement of a partnership with Microsoft supports the view that Darktrace has good solutions and good prospects.

In the payments space, we invested in Worldline. The French-listed company operates digital transaction processing platforms and merchant services. There is a clear trend to digital payments. Moreover, as the largest processor in Europe, Worldline should be a winner in this 'scale' business.

The Company has previously held shares in Mowi (formerly Marine Harvest), the Norwegian-based leading salmon farmer. We initiated a new position for two reasons. The first was evidence of new customers in supermarkets during lockdown; the second reason was that relatively constrained supply, coupled with continuing stronger demand, is likely to support good prices for Mowi.

In the UK, we bought shares in Pets at Home Group, the retailer. The background is favourable: there has been an 8% increase in UK pet ownership over the past year. Pets at Home's integrated model, offering the full range of pet-related services, including veterinary services, pet food, toys, grooming and so forth, is unique and is gaining market share.

Another new purchase was that of Borregaard, a Norwegian company which produces advanced and environmentally friendly biochemicals that can replace oil-based products by using the different components of wood. Products include biopolymers, speciality cellulose, biovanillin, cellulose fibrils and bioethanol for a variety of applications in sectors such as agriculture and aquaculture, construction, pharmaceuticals and cosmetics, foodstuffs, batteries, and biofuels.

We also added to our existing holdings of Ubisoft Entertainment ('Ubisoft'), Grifols and Gaztransport Et Technigaz ('GTT'). Ubisoft, the video games publisher, reported satisfactory results but a slightly disappointing outlook. We think the trends remain good for them and increased the holding. Grifols, the blood plasma fractionation company, too is struggling as plasma collections have been disrupted by Covid-19 restrictions. Moreover, new technologies are being developed which attempt to disrupt Grifols' traditional fractionation business. In our view, demand for fractionated blood plasma will remain strong notwithstanding new disruptive innovations and in due course, collections will return to normal and Grifols should flourish. Finally, as shares in GTT weakened we bought more. GTT is a 'play' on growing demand for Liquified Natural Gas ('LNG'), providing engineering and design technologies for the LNG carriers. Although Europe appears to be turning against LNG, we think that there is good, sustainable demand for LNG in Asia. Accordingly, we think that GTT has good prospects.

As regards sales, the biggest was that of Wirecard, all of which we sold on the day of its announcement indicating that fraud had taken place. Since the financial year end we have sold the entire holding in Arrow Global following the announcement of an agreed takeover offer for the company. All other disposals were of very small positions which we had little prospect of increasing. Thus, we sold Ossur, Knorr-Bremse, AT&S, Smiths Group and RWS, all very small holdings. We also reduced the holding in Deutsche Boerse to fund other purchases.

Gearing

At the end of the 2019/20 financial year the Company had no gearing. Net borrowings at the end of May 2021 were £61.6m, representing gearing of 7%. The effective gearing was somewhat less as the holding in Arrow Global (worth c. £37.8 million at the period end) might be considered as quasi-cash given that we expect the agreed takeover to be completed soon, making effective gearing 2.7%. This holding has been sold since the financial year end. Some of the money from borrowings was used to fund share buybacks, a value-enhancing operation for shareholders when the Company's shares trade at a discount to their net asset value. Average borrowing costs were 1.63%, little changed from last year.

Outlook

We clearly misjudged that Covid-19 and related policy responses would be a boon to stock markets. We saw Covid-19 as a threat to economies, raising costs and fostering indebtedness. It might be that, as Keynes put it, investors indulged in "spontaneous optimism rather than mathematical expectations", a bout of what he described as "*animal spirits*".

There are three significant new investment considerations for the future: the lasting effects of Covid-19-related policies; ESG; and the transition to the Green Economy (the European Green Deal is Europe's new growth strategy). Taken together, these constitute a 'regulatory reset'. We believe that our strategy is well placed to cope with this. Our high-quality, profitable companies should prosper through their innovation and technology leadership. Moreover, though there is evidence that Europe is falling behind other parts of the world, most of our companies have successful global strategies which mitigate this concern. We identify companies that are, typically, global winners that happen to be listed in Europe.

We have strengthened our research resources with a better, bigger investment team than we have ever had. Successful investments such as Darktrace are directly linked to this superior research resource. It is almost inconceivable that the current levels of monetary expansion in Europe and the US can be sustained indefinitely. At some point reality will bite and businesses will be challenged by the enormity of debt repayments and the risk of weaker demand. We are confident that our 'special' companies will outperform through the cycle.

Alexander Darwall
CIO, Devon Equity Management Limited
22 September 2021

INVESTMENT PORTFOLIO
as at 31 May 2021

Company	Sector	Country of Listing	31 May 2021 Market Value £'000	31 May 2021 Percentage of Portfolio	31 May 2020 Percentage of Portfolio
Novo Nordisk 'B'	Healthcare	Denmark	91,831	9.8	9.8
Experian	Industrials	United Kingdom	87,989	9.4	10.1
RELX	Industrials	Netherlands	81,236	8.7	9.6
Intermediate Capital Group	Financials	United Kingdom	74,075	7.9	5.0
Dassault Systemes	Information Technology	France	73,259	7.8	6.8
Genus	Healthcare	United Kingdom	71,565	7.7	3.8
Grifols	Healthcare	Spain	52,731	5.6	6.5
Deutsche Boerse	Financials	Germany	51,962	5.6	8.8
BioMerieux	Healthcare	France	45,820	4.9	7.2
Arrow Global Group	Financials	United Kingdom	37,784	4.0	0.8
SOITEC	Information Technology	France	32,100	3.4	–
Edenred	Information Technology	France	31,712	3.4	2.0
Infineon Technologies	Information Technology	Germany	31,277	3.3	2.0
Ubisoft Entertainment	Communication Services	France	28,147	3.0	1.9
ASML Holding	Information Technology	Netherlands	23,721	2.5	2.0
Gaztransport Et Technigaz	Energy	France	19,060	2.0	0.9
Barry Callebaut	Consumer Staples	Switzerland	16,634	1.8	1.8
adidas	Consumer Discretionary	Germany	10,284	1.1	–
Grenke	Financials	Germany	10,156	1.1	5.8
Darktrace	Information Technology	United Kingdom	9,775	1.0	–
Bayer	Healthcare	Germany	9,204	1.0	2.6
Worldline	Information Technology	France	8,476	0.9	–
Mowi	Consumer Staples	Norway	8,269	0.9	–
Wolters Kluwer	Industrials	Netherlands	6,765	0.7	0.3
Borregaard	Materials	Norway	4,966	0.5	–
Pets at Home Group	Consumer Discretionary	United Kingdom	4,490	0.5	–
Oxford Instruments	Information Technology	United Kingdom	4,407	0.5	0.2
Network International Holdings	Information Technology	United Kingdom	4,013	0.4	0.3
OHB	Industrials	Germany	3,276	0.4	–
KWS Saat	Consumer Staples	Germany	1,350	0.1	0.1
Elkem	Materials	Norway	513	0.1	–
Grifols Preference	Healthcare	Spain	125	–	–
Total			**936,972**	**100.0**	

CLASSIFICATION OF INVESTMENTS
as at 31 May 2021

Equities	Denmark %	France %	Germany %	Spain %	UK %	Other %	31 May 2021 %	31 May 2020 %
Chemicals	–	–	–	–	–	0.6	0.6	–
Total Materials							**0.6**	**–**
Media & Entertainment	–	3.0	–	–	–	–	3.0	1.9
Total Communication Services							**3.0**	**1.9**
Consumer Durables & Apparel	–	–	1.1	–	–	–	1.1	–
Retailing	–	–	–	–	0.5	–	0.5	–
Total Consumer Discretionary							**1.6**	**–**
Food, Beverage & Tobacco	–	–	0.1	–	–	2.7	2.8	2.0
Total Consumer Staples							**2.8**	**2.0**
Oil, Gas & Consumable Fuels	–	2.0	–	–	–	–	2.0	0.9
Total Energy							**2.0**	**0.9**
Diversified Financials	–	–	6.7	–	11.9	–	18.6	20.3
Total Financials							**18.6**	**20.3**
Pharmaceuticals, Biotechnology & Life Sciences	9.8		1.0	5.6	7.7	–	24.1	22.7
Healthcare Equipment & Services	–	4.9	–	–	–	–	4.9	7.8
Total Healthcare							**29.0**	**30.5**
Capital Goods	–	–	0.4	–	–	–	0.4	1.0
Commercial & Professional Services	–	–	–	–	9.4	9.4	18.8	19.7
Total Industrials							**19.2**	**20.7**
Semiconductors & Semiconductor Equipment	–	3.4	3.3	–	–	2.5	9.2	3.9
Software & Services	–	12.1	–	–	1.4	–	13.5	19.6
Technology Hardware & Equipment	–	–	–	–	0.5	–	0.5	0.2
Total Information Technology							**23.2**	**23.7**
Totals	**9.8**	**25.4**	**12.6**	**5.6**	**31.4**	**15.2**	**100.0**	**100.0**

STRATEGIC REPORT

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the Directors and the Company during the financial year under review.

Business and Status

During the year, the Company carried on business as an investment trust with its principal activity being portfolio investment. The Company has been approved by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the Directors, the Company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The Company is an investment company within the meaning of section 833 of the Companies Act 2006.

The Company is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and has no employees.

The Company is domiciled in the United Kingdom and was incorporated in England & Wales on 16 August 2000. The Company started trading on 20 November 2000.

Reviews of the Company's activities are included in the Chairman's Statement and Investment Manager's Review on pages 4 to 13.

There has been no significant change in the activities of the Company during the year to 31 May 2021 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

Investment policy

The Company will, at all times, invest and manage its assets, with the objective of spreading risk and in accordance with the following Investment Restrictions.

Notwithstanding the broad powers of investment available to the Company as a closed-ended fund, the Board has adopted the following investment restrictions:

- no single holding shall constitute more than 10% of the Company's total assets (calculated at the time of investment). The Board will pay particular attention to holdings which grow to represent more than 10% of total assets;
- the Company will not invest in unlisted securities;
- the Company will not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes;
- the Company will not invest in other listed closed-ended investment funds;
- the Company shall not take legal or management control over any investments in its portfolio; and
- not more than 50% of the Company's investments may be in securities which are not qualifying securities or government securities for the purposes of the UK ISA Regulations.

Any material change in the investment policy of the Company described above may only be made with the approval of shareholders by an ordinary resolution.

Investment Approach
The Investment Manager adopts a stock picking approach in the belief that a thorough analysis and understanding of a Company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth.

The Investment Manager will seek to identify companies which enjoy certain key business characteristics including some or all of the following:

- a strong management record and team, and the confidence that the Investment Manager has in that management's ability to explain and account for its actions;
- proprietary technology and other factors which indicate a sustainable competitive advantage;
- a reasonable expectation that demand for their products or services will enjoy long-term growth; and
- an understanding that structural changes are likely to benefit rather than negatively impact that Company's prospects.

In analysing potential investments, the Investment Manager will employ differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cashflow in the long-term.

Portfolio risk
Portfolio risk is mitigated by investment in a diversified spread of investments. The Investment Manager is not constrained by benchmark weightings, sector, geographical location within Europe or market capitalisation or size of investee companies.

Benchmark index
The Company's benchmark is the MSCI Europe Total Return Index in GBP. Since the Company now has a 31.4% weighting to UK Listed companies, the Board no longer considers it appropriate to show the MSCI ex-UK Europe index as a secondary benchmark. The change of benchmark was communicated to shareholders following the 2019 Annual General Meeting.

Borrowing limits
The Board considers that long-term capital growth can be enhanced by the use of gearing through bank borrowings. The Board considers that the Company's level of gearing should be maintained at appropriate levels, with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions.

The Board oversees the level of gearing in the Company and reviews the position with the Investment Manager on a regular basis. In normal circumstances the Board does not expect the level of gearing to exceed 20% of the Company's total assets (calculated at the time of borrowing).

Subsequent to the financial year end, on 10 September 2021, the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £100 million available until September 2022 and credit approval for an additional 'accordion' amount available upon application for a further £50 million. The amount of £65 million was drawn down as at the financial year end on 31 May 2021.

Future developments
It is the Board's ambition to grow the asset base of the Company through a combination of organic growth and new issuance of shares with a view to achieving the critical mass necessary to attract broader demand from wealth managers, IFAs and other institutional buyers of investment trust shares. The Investment Manager continues to be encouraged to use the particular advantages of an investment trust structure to enhance potential returns to shareholders, including the use of gearing and the freedom to hold high conviction positions through periods of sharp market fluctuations.

Planned life of the Company

The Articles of Association of the Company provide that at every third Annual General Meeting an ordinary resolution shall be proposed that the Company shall continue in existence as an investment trust. If any such resolution is not passed at any of those meetings, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that to which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

As a resolution to that effect was passed at the 2020 Annual General Meeting held on 16 November 2020, the next scheduled continuation vote will be at the 2023 Annual General Meeting.

Shareholders should note that the valuations used to produce the accounts on a going concern basis might not be appropriate if the Company were to be liquidated.

Dividend policy

The Company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the Company is not permitted to retain more than 15% of eligible investment income arising during any accounting period. Accordingly, the Board's policy is to propose a modest annual dividend and one at least sufficient to enable the Company to maintain its investment trust status.

Management

The Company has no employees and most of its day-to-day responsibilities are delegated to the Company's Investment Manager and Company Secretary.

J.P. Morgan Europe Limited acts as the Company's Depositary and the Company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. for the provision of accounting and administration services.

Although Devon Equity Management Limited is named as the Company Secretary, J.P. Morgan Europe Limited provides administrative support to the Company Secretary as part of its formal mandate to provide broader fund administration services to the Company.

Risk management & internal controls

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Company. This is described in more detail on page 34.

Viability statement

In accordance with the Code of Corporate Governance issued by the Association of Investment Companies ('AIC') in February 2019 (the 'AIC Code'), the Board has assessed the longer term prospects for the Company beyond the twelve months required by the going concern basis of accounting. The period assessed is for five years to 31 May 2026.

The Company's investment objective is to achieve long-term capital growth and the Board regards the Company's shares as a long-term investment. The Board believes that a period of five years is considered a reasonable period for investment in equities and is appropriate for the composition of the Company's portfolio. As part of its assessment, the Board has noted that shareholders voted in favour of the continuation of the Company at the Annual General Meeting held on 16 November 2020.

As part of its assessment of the viability of the Company, the Board has reviewed and considered the principal risks and uncertainties that may affect the Company, including emerging risks and matters relating to the Covid-19 pandemic as set out in pages 21 and 22. The Board has also considered the Company's business model including its investment objective and investment policy, a quarterly forecast of the Company's projected income and expenses and the liquidity of the Company's portfolio to ensure that it will be able to meet its liabilities as they fall due.

The Board has taken into account an assessment of the liquidity of the portfolio and considered the viability of the Company under various scenarios. Using historic market crashes and economic crises as base cases, the tests modelled the effects of severe stock market volatility on the Company's NAV and its ability to meet its liabilities. Based on the results of the tests, the Board concluded that the schedule of investment limits and restrictions put in place by the Board and the mitigating actions for the principal risks would protect the value of the Company's assets to a sufficient degree.

The Board has noted that:

- The Company holds a highly liquid portfolio invested predominantly in listed equities;
- European equities remain an attractive opportunity for investors;
- The Company maintains a relatively low level of gearing and has at all times been comfortably compliant with its loan to value and other covenant obligations to its lender, The Bank of Nova Scotia, London Branch;
- The Company's ongoing charges and operational expenses are well covered by the expected levels of return and revenue and no significant increase to ongoing charges or operational expenses is anticipated; and
- The Investment Manager and other key service providers have suitable arrangements in place to ensure that they can continue to provide their services to the Company despite the Covid-19 pandemic.

The Board has also considered the Company's prospects over the next five years, the predicted demand for the Company's shares as well as market outlook, both for equity shares and investment trusts. These considerations assume:

- The Investment Manager's compliance with the Company's investment objective, its investment strategy and asset allocation;
- That the portfolio comprises sufficient readily realisable securities which can be sold to meet funding requirements if necessary;
- The continuation of the Board's discount management policy; and
- The ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets.

The Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

The Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement in the Directors' Report on pages 33 and 34.

Key Performance Indicators
At the quarterly Board meetings, the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives. The key performance indicators used to measure the performance of the Company over time are as follows:

Share price total return

to 31 May 2021	1 year (%)	3 years (%)	5 years (%)
The Company	0.1	(0.6)	46.7
MSCI Europe Total Return Index in GBP (Benchmark)	24.6	23.0	66.4
AIC Europe peer group[1]	32.0	46.0	101.8

Net asset value total return

to 31 May 2021	1 year (%)	3 years (%)	5 years (%)
The Company	1.2	7.8	54.8
MSCI Europe Total Return Index in GBP (Benchmark)	24.6	23.0	66.4
AIC Europe peer group[1]	26.2	38.6	93.9

(Discount)/premium

As at 31 May	2021 (%)	2018 (%)	2016 (%)
The Company	(9.0)	(1.1)	(3.7)
AIC Europe peer group[1]	(5.1)	–	–

Ongoing charges

For the year ended 31 May	2021 (%)	2018 (%)	2016 (%)
The Company	0.99	0.91	1.08
AIC Europe peer group[1]	0.85	–	–

[1] The AIC Europe peer group data is available at www.theaic.co.uk

Long term performance is also monitored, as illustrated in the Chairman's Statement on page 4.

There were 8 investment trusts in the AIC Europe sector as at 31 May 2021. The Board monitors the Company's performance in relation to both the sector as a whole and the companies within the sector which the Board considers to be its peer group.

Discount to net asset value
The Company's Discount Management Policy is set out in the Chairman's Statement on page 6.

Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of any ordinary shares is 105% of the average of the middle market quotations for the ordinary shares for the five business days immediately preceding the date of repurchase. The minimum price is the nominal value of the ordinary shares.

The Board is proposing that its authority to repurchase up to approximately 14.99% of its issued share capital should be renewed at the Annual General Meeting. The new authority to repurchase will last until the conclusion of the Annual General Meeting of the Company in 2022 (unless renewed earlier). Any repurchase made will be at the discretion of the Board considering prevailing market conditions and within guidelines set from time to time by the Board, the Companies Act, the Listing Rules and Model Code.

Treasury Shares

In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 which came into force on 1 December 2003 any ordinary shares repurchased, pursuant to the above authority, may be held in treasury. These ordinary shares may subsequently be cancelled or sold for cash. This gives the Company the ability to reissue shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital. The Company may hold in treasury any of its ordinary shares that it purchases pursuant to the share buyback authority granted by shareholders. During the financial year the Company repurchased 6,228,471 ordinary shares to be held in treasury at an average discount of 10.8%.

Ordinary shares held in treasury may only be reissued by the Company at prices representing a premium to the net asset value per ordinary share as at the date of re-issue.

Principal risks and uncertainties

In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. The Board, with the support of the Audit & Risk Committee and the Investment Manager, has carried out a robust assessment of the principal and emerging risks which may impact the Company. The principal risk factors that may affect the Company and its business can be divided into the following areas:

Principal Risks and Uncertainties	Change	Management of risks through Mitigation & Controls
Investment strategy Key risks and uncertainties include: poor investment performance over an extended period relative to Benchmark; the sudden departure of a Portfolio Manager and/or key staff member; or the development of a significant discount to net asset value in the Company's shares.	↔	The Board reviews the Company's investment objective and policies and the Investment Manager's investment approach in the context of past performance (relative to Benchmark), shareholder feedback and broader market and economic conditions. The Board sets mandate restrictions as necessary. The Board reviews the succession plans prepared by the Investment Manager and takes into consideration the availability of suitably experienced personnel to manage the Company's portfolio in the event of an emergency. The Board has established a discount management policy and regularly considers its ongoing appropriateness in light of market conditions. In addition to seeking annual shareholder approval to its share buy-back authority, the Board also puts a continuation vote to every third AGM of the Company (the next in 2023).
Market Key risks and uncertainties include: the impact of macroeconomic and geopolitical conditions on the Company's investments; or volatility in the market prices of the Company's investments.	↔	The Board considers the economic and geopolitical risks and uncertainties that the Company is exposed to through regular reviews of the Investment Manager's positions and commentary. The Company does not take active positions in currencies, nor does it invest in fixed income securities. The Investment Manager reduces liquidity risk by investing in a diversified portfolio of highly liquid, exchange-traded equities and by adhering to her Board's limits on individual holdings. The Board has set a policy that the Company will not invest in unlisted securities.

Principal Risks and Uncertainties	Change	Management of risks through Mitigation & Controls
Operational Key risks and uncertainties include: a cybercrime event or an IT systems failure which compromises the Company's data or the Investment Manager's ability to manage the Company's portfolio; inadequacy of disaster recovery planning to ensure continuity of the Investment Manager's operations; or the inadequacy of the oversight and controls undertaken by the Custodian, the AIFM or the Investment Manager in relation to the Company.	↔	The Board relies on the cyber security and IT risk management tools implemented by the Investment Manager, the AIFM and the Custodian to prevent cyber-attacks. The Investment Manager uses a well-established third-party IT system (Bloomberg) for all trading activity on behalf of the Company. The Board is reliant on the Investment Manager and its key third party service providers to ensure that appropriate measures are in place in order that critical operations can be maintained at all times. The Investment Manager is fully compliant with the Operational Resilience requirements set out by the FCA. The Board considers the internal controls of the Investment Manager and all key third party service providers on at least an annual basis. System-enforced controls are in place in each case which alert staff in oversight and compliance roles of any breaches. Similarly, 'Four eye' checks are mandated for all manual controls to ensure there is sufficient oversight over actions taken. A third annual Audit & Risk Committee meeting was introduced in 2021 to enhance the consideration of risks and internal controls.
Legal and regulatory Key risks and uncertainties include: the risk of non-compliance with existing regulatory or legal requirements, including resultant negative PR implications; adverse implications of regulatory change; or changes to the Company's policies and reporting obligations in relation to sustainability and ESG risks.	↔	The Board relies on the services of its Company Secretary and JP Morgan to report changes in and to ensure compliance with all applicable laws and regulations including the Companies Act 2006, the UKLA Listing Rules and the Alternative Investment Fund Managers Directive. The Audit & Risk Committee reviews the performance of the external auditor and the effectiveness of the independent audit process on an annual basis. The experience of the auditor in financial accounting and auditing standards is reviewed to ensure that changes in audit standards are anticipated, understood and complied with. The Board is reliant on the Investment Manager to ensure that appropriate measures are in place so that its approach to ESG investing is appropriately defined and adhered to. Accordingly, the Investment Manager has developed and implemented its published ESG Policy for the Company.

Emerging risks that could impact the Company in the future are considered at each Board meeting, along with any potential mitigating actions.

The Investment Manager seeks to ensure that individual stocks in the Company's portfolio meet an acceptable risk/reward profile by reference to both principal and emerging risks.

In accordance with the AIC Code, the Board has carried out a review of the effectiveness of the system of internal control as it has operated over the year and up to the date of approval of the Annual Report and Accounts. Further information on the principal risks the Company faces in its portfolio management activities is disclosed in Note 18 of the accounts.

Directors
Biographical details of the Directors can be found on pages 29 and 30 and the Board's policy on diversity can be found on pages 38 and 39. The Board currently comprises five male Directors and two female Directors.

Modern Slavery statement
The Modern Slavery Act 2015 requires certain companies to prepare a slavery and human trafficking statement. The Company does not fall within the scope of the Modern Slavery Act 2015 and therefore no slavery and human trafficking statement is included in the Annual Report.

Environmental, Social and Governance ("ESG") matters
The ESG landscape is ever evolving and the investment market is seeing a significant shift in ESG related regulations, practices, initiatives, and challenges. Therefore, it is essential that the Company's Investment Manager monitors the changing landscape and reacts accordingly.

The Board ensures that the Company's corporate reporting reflects its strategy, objectives and commitments. Although the Company does not have specific ESG or sustainability objectives and therefore does not require its Investment Manager to employ negative screens and restrict the investment universe, the Board shares Devon's belief that ESG factors are an important and value-adding component of company research. Devon incorporates ESG factors into its investment decisions on behalf of the Company and it views ESG as a material input to its fundamental evaluation of securities.

Devon's investment decisions for the Company are primarily driven by business and financial considerations. They are looking for companies with distinctive characteristics which they expect to yield substantial benefits to shareholders over the long term. As such, they recognise that political, environmental, and social issues are likely to have a material impact on future financial performance.

Whilst ESG issues, such as strong governance, form an integral part of the wider investment process, Devon does not consider Sustainability Risks explicitly. Consequently, Devon does not promote the Company as an ESG product for the purposes of the EU Sustainable Finance Disclosure Regulation ("SFDR"). This is made clear in all marketing and communications with clients.

However, Sustainability Risks can have a negative impact upon the material value of an investment. To deliver on the aim of maximising investment returns for the Company, it is essential that Devon identifies companies with sustainable business models and returns. As such, the Board and Devon both consider 'Sustainability Risk' to be indistinguishable from core business considerations.

Devon's concentrated, long-term approach to investment affords ample scope to engage with management teams on issues relating to culture, governance, and enduring sustainability. The Company's lengthy holding periods and objective of capital growth means that companies which depend on unsustainable business practices are unlikely to meet the threshold required for investment. For example, Devon places great emphasis on corporate culture and the integrity of management and undertakes extensive research in this area prior to any investment. A strong corporate culture demands a high level of employee satisfaction, and is unlikely to tolerate exploitative labour, uneconomic wages, negligent or dangerous business practices.

Similarly, Devon believes the end consumer of goods or services to be a powerful arbiter. If a company compromises on raw material quality, abuses their supply chain, or underinvests in their workforce, product and/or service quality is likely to suffer. This would have the effect of turning consumers away from the product, damaging the brand, and lowering future growth prospects. Such considerations are central to Devon's investment process.

The Board and Devon both believe that companies with good practices are better placed to achieve good investment outcomes for investors over the longer term. The Board and Devon therefore seek to ensure that investee company management teams are responsible custodians of their business, that they report clearly on ESG metrics and that they seek to improve on those areas in which they are failing. When considering ESG, Devon aims to engage companies:

- on significant issues arising from internal ESG research;
- on issues arising in connection with voting activity;
- on complex, thematic issues such as climate change, cyber security, human rights and water scarcity, that may pose a threat to investments over the medium to long term;
- in response to negative media coverage or alerts from third party research providers regarding an investee company; and
- in industry collaborations.

Devon recognises that certain industries and countries with weak environmental or governance structures present additional business risks for prospective investee companies. As part of its due diligence process, it aims to become aware of where and how such risks exist. Provided that all applicable laws and regulations are applied and adhered to, Devon defers to the judgement of management teams as to the appropriateness of operating in any such industry or jurisdiction. If such activities change Devon's risk perception of an industry or company, it may preclude an investment.

Effective and responsible active ownership has long been part of Devon's approach to investment, and Devon's commitment to stewardship was formalised when it became a signatory of the UN-sponsored Principles for Responsible Investment (PRI). The Principles for Responsible Investment demonstrate Devon's commitment to responsible investment and a sustainable financial system. The UK Stewardship Code ('the Code'), first published in 2010 and updated in 2012 and again in 2019, sets high stewardship standards for asset managers that are authorised by the FCA. The Code's principles of management and emphasis on active engagement are closely aligned with Devon's investment philosophy. As such, Devon fully supports the Code and complies with its principles.

Climate change and other ESG considerations pose systemic risks to a well-functioning financial system. As well as becoming a signatory to the PRI and the Code, Devon has put in place the following in order to comprehensively account for ESG: an ESG Policy, a Sustainability Risk Policy, a revised Remuneration Policy to account for SFDR Level 1 requirements, a Shareholder Rights Directive (SRD) II Engagement Policy and Annual Disclosure, and SFDR disclosures.

Through compliance with SRD II, which aims to promote effective stewardship and long-term decision making, Devon has outlined its investment approach, engagement, and monitoring and voting behaviour with enhanced transparency. Furthermore, the Board shares Devon's belief that performance management structures are consistent with, and promote, sound and effective ESG risk management. Devon's approach to remuneration promotes long-term horizons instead of short-term incentives. Consequently, the investment team are incentivised to integrate stewardship into investment decision-making.

Sustainability risks and SFDR

The EU Sustainable Finance Disclosure Regulation ("SFDR") is a regulatory framework which applies to the Company in its capacity as an investment trust. The Board has also therefore made the following sustainability related disclosures in accordance with Article 6(1) of SFDR:

The Company is not considered an 'ESG financial product' since it does not promote and does not maximise portfolio alignment with Sustainability Factors (as defined in SFDR). However, the Company is exposed to Sustainability Risks due to the nature of the securities in which it invests.

1. How Sustainability Risks are integrated into the investment decisions of the Investment Manager.

Sustainability Risks are integrated into investment decision making and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities for maximising long-term risk-adjusted returns. Devon considers Sustainability Risks as part of its broader analysis of potential investments and the factors considered will vary depending on the security in question, but typically include ownership structure, board structure and membership, capital allocation track record, management incentives, labour relations history, and climate risks.

2. The assessment and likely impacts of Sustainability Risks on the returns of the Company.

Due to the nature of the Company's investment strategy and types of securities it holds, the Company is exposed to varied Sustainability Risks which include, but are not limited to:

- shareholder rights (e.g. election of directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health and safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and
- work practices (e.g. observation of health, safety and human rights provisions).

Section 172 statement

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

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the Company.

As an investment trust, the Company has no employees, customers or physical assets; our stakeholders include our shareholders and our service providers, such as the Investment Manager, AIFM, Depositary, Custodian, Lender, Registrar, Auditors, Broker and Administrator.

The Board believes that the optimum basis for meeting its duty to promote the success of the Company is by appointing and managing third parties with the requisite performance records, resources, infrastructure, experience and control environments to deliver the services required to achieve the investment objective and successfully operate the Company. By developing strong and constructive working relationships with these parties, the Board seeks to ensure high standards of business conduct are adhered to at all times and service levels are enhanced whenever possible. This combined with the careful management of costs is for the benefit of all shareholders who are also key stakeholders.

Relationships with the Investment Manager & AIFM
Devon acts as Investment Manager and FundRock acts as the Company's AIFM with responsibility for additional risk oversight in accordance with the requirements of European law. The Board regularly meets with senior representatives from Devon and FundRock and pays particular attention to the control procedures and processes in place at Devon and FundRock to ensure that the investment management operations for the Company continue to be handled with the appropriate level of resource and professionalism.

The portfolio activities undertaken by the Investment Manager and the impact of decisions taken are set out in the Investment Manager's Review on pages 8 to 13. On pages 23 and 24 information is provided on the Company's approach towards ESG. The Directors are supportive of the Manager's approach, which focuses on engagement with the investee companies on ESG issues. Further information on the annual evaluation of the Investment Manager, to ensure its continued appointment remains in the best interests of shareholders, is set out on page 40.

Relationships with other service providers
Service providers such as, JP Morgan Chase Bank ("the Bank and the Custodian"), JP Morgan Europe Limited ("the Depositary"), Cenkos Securities ("the Broker") and Link Group ("the Registrar") are also considered key stakeholders. The Board receives regular reports from them and evaluates them to ensure expectations on service delivery are met.

Engagement with shareholders
The Directors value engagement with shareholders. The Company reports to shareholders twice a year by way of the Half-Yearly Financial Report and Annual Report & Accounts. In addition, net asset values are published daily and factsheets are published monthly on the Company's website, www.europeanopportunitiestrust.com. Key decisions are announced to the London Stock Exchange through a Regulatory News Service.

The Company holds an Annual General Meeting. In normal circumstances all shareholders are invited to attend, and this provides an open forum for them to discuss issues and matters of concern with the Board and representatives of the Investment Manager and the Company's advisors. The Board regularly reviews shareholder feedback to ensure that shareholder views are taken into consideration as part of any decisions taken by the Board. The Chairman actively seeks to engage with shareholders and attended meetings with investors during the year.

The Investment Manager also engages with the Company's larger shareholders and the outcome of these discussions are reported to the Board at the following Board meeting. Shareholders are invited to communicate with the Board through the Chairman or Company Secretary. Alternatively, issues can be discussed with the Company's Senior Independent Director, who can be contacted at the Company's registered office address detailed on page 86.

The Board ensures that Directors are able to discharge their duties by, amongst other things, providing them with relevant information and training on their duties. At all times, the Directors can access as a Board, or individually, advice from its professional advisers including the Company Secretary, lawyers and Auditors.

Whilst certain responsibilities are delegated, the Board has established terms of reference for its Committees which are reviewed regularly by the Board. The Board has set the parameters within which the AIFM and Investment Manager operate and these are set out under the terms of agreements with FundRock and Devon and minutes of Board meetings.

Principal decisions taken during the year under review
The Directors take into account section172 considerations in all material decisions of the Company.

Examples of the principal decisions taken by the Board during the year under review (and post year-end) are as follows:

- **Regulatory change:** In order to position the Company for changes in the regulatory environment in the United Kingdom post-Brexit, in November 2020 the Board elected to switch the entity within the FundRock group that acts as its AIFM from FundRock Management Company SA (in Luxembourg) to FundRock's wholly owned and UK regulated entity, FundRock Partners Ltd. There was no change in the terms of engagement or the fees payable to the AIFM in this context. The Board, receives regular updates from the Investment Manager and other key service providers to ensure that the Company continues to meet applicable regulatory standards.

- **Internal controls:** During the year under review, the Board engaged Optima Consulting Partners Ltd to carry out a detailed post-transition review of the systems and internal controls in place at Devon, the result of which was considered satisfactory.

- **Covid-19:** The impact of Covid-19 and the public policy responses to it (including continuing low interest rates) have created unprecedented investment challenges. The Board has had frequent contact with the Investment Manager where investment strategy, risk, gearing and discount management have been discussed. These meetings have confirmed the Board's view that the Investment Manager has applied the Company's stated investment policies consistently throughout the period under review. The Board continues to review emerging risks that could have a potential impact on the operational capability of the Investment Manager and other key service providers.

- **Wirecard:** As a result of the insolvency of Wirecard AG ('Wirecard') in June 2020, the Board has agreed, in principle, to participate in a class action claim in the insolvency of Wirecard and also in a separate class action claim against Wirecard's long term auditor, Ernst & Young GmbH. The Board is of the opinion that it is in the best interests of shareholders to pursue these class actions, as the marginal cost of participating in these actions is outweighed by the potential receipt of compensation for shareholders. Given that Wirecard had been a significant holding of the Company, the Board requested that the Investment Manager provide additional reporting on the Company's significant holdings on an ongoing basis, with a particular emphasis on any holdings which grow in value to represent more than 10% of total assets, so as to ensure that investment risk continues to be managed appropriately. The Board has determined that no single holding may constitute more than 10% of the Company's total assets at the time of investment. The Board will continue to evaluate portfolio risk and work with the Investment Manager to ensure that controls evolve to safeguard shareholder assets.

- **Succession planning:** Following notifications from Philip Best and Andrew Sutch of their intention to retire as Directors of the Company with effect from the conclusion of the 2021 and 2022 AGMs, respectively, the Nomination Committee reviewed the Board's succession planning. The Board, on recommendation from the Nomination Committee, engaged an independent search agent to undertake a search for an additional non-executive Director who would replace and enhance the overall skills and experience of the Board and its committees. The outcome of the Board's search for an additional non-executive Director can be found in the succession planning section on page 39.

- **Gearing:** After discussion with the Investment Manager, on 10 September 2021 the Board entered into a new £100 million loan facility with The Bank of Nova Scotia, London Branch. The new loan facility will enable the Investment Manager to implement the Company's stated gearing policy, as further described in the section entitled 'Borrowing limits' on page 17. It is hoped that through the careful use of gearing, the Investment Manager can increase shareholder returns.

- **Discount management:** During the year under review, the Board has continued to monitor the Company's share price discount to NAV. When necessary, the Investment Manager has bought back shares from the market in order to narrow the discount.

The structure of the Board and its committees and the decisions it makes are underpinned by the duties of the Directors under the Companies Act, 2006 and the provisions of the AIC Code.

Capital Gains Tax information

The closing middle market price of ordinary shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.

For and on behalf of the Board

Andrew Sutch
Chairman
22 September 2021

THE BOARD OF DIRECTORS

The Directors of the Company who were in office during the year under review and up to the date of signing of these accounts in the current financial year were:

Andrew Lang Sutch
A Director since: 10 October 2011
Last re-elected to the Board: 2020

(Chairman) is a solicitor and was formerly the senior partner of Stephenson Harwood. He is a corporate lawyer and has for much of his career advised investment trusts and other investment funds. He is the chairman of J.P. Morgan Claverhouse Investment Trust PLC and Hipgnosis Songs Fund Limited.

Philip Edward Fraser Best
A Director since: 12 May 2009
Last re-elected to the Board: 2020, due to retire at the 2021 AGM

(Senior Independent Director) is an investment manager based in Geneva, where he co-founded Quaero Capital and is the fund manager of The Argonaut Fund, – a Luxembourg- listed UCITS created in 2003. Prior to that he worked in broking at Jefferies & Co and Enskilda Securities, after starting out as a fund manager at Mercury Asset Management in the 1980s.

Sharon Brown
A Director since: 1 August 2019
Last re-elected to the Board: 2020

(Chairman of the Audit & Risk Committee) is a non-executive director and chairman of the audit committees of BMO Capital & Income Investment Trust PLC, The Baillie Gifford Japan Trust PLC and Celtic PLC. Between 1998 and 2013 she was finance director of Dobbies Garden Centres PLC and previously served as a non-executive director and chairman of the audit committee of Fidelity Special Values PLC and McColl's Retail Group PLC. Ms Brown is a Fellow of the Chartered Institute of Management Accountants.

The Rt Hon Lord Lamont of Lerwick
A Director since: 24 June 2015
Last re-elected to the Board: 2020

(Chairman of the Remuneration Committee) was Chancellor of the Exchequer from November 1990 to May 1993 and has been a member of the House of Lords since 1998. He is a director or adviser to a number of companies in the financial sector including the Chelverton UK Dividend Trust plc and was previously a director of NM Rothschild, Rothschild Asset Management and Jupiter Second Split Trust PLC.

Virginia Holmes
A Director since: 7 November 2017
Last re-elected to the Board: 2020

is a non-executive director of Intermediate Capital Group, and Syncona Limited. Ms Holmes was previously chair of USS Investment Management Limited and British Airways Pension Trustees Ltd. Her executive experience includes serving as chief executive of AXA Investment Managers in the UK and more than a decade with the Barclays Bank Group.

Matthew Dobbs
A Director since: 1 September 2021
To be formally elected by shareholders at the 2021 AGM

recently stepped down from full time investment responsibilities after a 39 year career at Schroders, fulfilling a number of research and portfolio management responsibilities. Most recently he was Head of Global Small Companies and managed a number of specialist Asian closed and open ended equity funds.

THE BOARD OF DIRECTORS continued

Jeroen Huysinga
A Director since: 1 September 2021
To be formally elected by shareholders at the 2021 AGM

managed funds at JP Morgan Asset Management for 23 years until his retirement in 2020. He was formerly a managing director in JPMorgan's global equities team and, prior to joining JP Morgan, he was a Japanese equities specialist at Lombard Odier and, previously, at British Steel Pension Fund. He is currently pursuing a master's degree in charity finance and administration at the Bayes Business School (formerly CASS) in London and is a director of the Brain and Spine Foundation.

Mr John Wallinger served as a Director of the Company until his retirement from the Board on 16 November 2020.

All Directors are members of the Audit & Risk, Management Engagement, Nomination, and Remuneration Committees.

DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of the Company for the year ended 31 May 2021.

Company overview
The Company is incorporated in England & Wales as a public limited company. It is an investment company as defined in Section 833 of the Companies Act 2006 and its ordinary shares are admitted to the premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company changed its name from Jupiter European Opportunities Trust PLC to European Opportunities Trust PLC on 14 November 2019.

The objective of the Company is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, considering economic trends and business development. Details on Future Developments for the Company are provided in the Strategic Report on page 17.

The Company operates as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended). The Company currently manages its affairs so as to be a qualifying investment trust under the Individual Savings Account (ISA) rules. As a result, under current UK legislation, the ordinary shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit, currently £20,000, in each tax year. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

Statement regarding the Annual Report and Accounts
The Board, with the support of the Audit & Risk Committee, has reviewed the Annual Report and Accounts of the Company for the year ended 31 May 2021 and considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. Further information is provided in the Strategic Review.

There were no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4 during the financial year under review.

Disclosure of information to the Auditors
The Directors are not aware of any relevant audit information of which the Company's Auditors are unaware. The Directors also confirm that they have taken all the steps required of a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Results and dividends
The results for the year are set out in the Income Statement and Balance Sheet on pages 60 and 61 and the Notes to the Accounts on pages 64 to 79.

The Board recommends payment of a final dividend of 2.0p to shareholders at this year's Annual General Meeting. Subject to shareholder approval, the final dividend will be paid on 26 November 2021 to shareholders who are on the register at close of business on 22 October 2021 with an ex-dividend date of 21 October 2021.

Share capital
As at 31 May 2021 the Company's issued share capital consisted of 112,875,331 ordinary shares of 1 pence each, of which 6,239,491 were held in treasury. The total number of voting rights in the Company as at 31 May 2021 was 106,635,840. Since the financial year end, the Company has purchased 832,000 of its ordinary shares to be held in treasury.

All the Company's shares are fully paid and carry one vote per share. The ordinary shares carry no additional obligations or special rights. There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office. The Company has no employees and therefore does not have an employee share scheme.

DIRECTORS' REPORT continued

Notifiable interests in the Company's voting rights
In accordance with the FCA's Disclosure and Transparency Rules, the Company has been notified of the following substantial interests in the ordinary shares amounting to 3% or more of the voting rights held in the Company as at 31 May 2021.

Shareholder	Shares held at date of disclosure	% total voting rights at date of disclosure
Wells Capital Management Incorporated	5,548,311	5.12
1607 Capital Partners, LLC	5,709,219	5.06
Alexander Darwall	4,402,356	4.06

On 17 June 2021, the Company received a notification from Alexander Darwall advising that he held 4,539,772 ordinary shares representing 4.3% of the total voting rights in the Company.

Directors
A list of the Directors of the Company and their biographies can be found on pages 29 and 30. John Wallinger retired as a Director of the Company on 16 November 2020. Matthew Dobbs and Jeroen Huysinga were appointed subsequent to the financial year end on 1 September 2021. All other Directors held office throughout the financial year.

The Board has adopted a policy that all Directors should stand for re-election on an annual basis. The Board, with the support of the Chairman and the Nomination Committee, is satisfied that the performance of each of the Directors continues to be effective and is satisfied that each Director demonstrates commitment to their role. The Board recommends the re-election of each of the Directors at this year's Annual General Meeting with the exception of Philip Best who will retire at the conclusion of this year's Annual General Meeting.

Directors' remuneration and interests
The Directors' Remuneration Report and Policy on pages 45 to 48 provide information on the remuneration and shareholdings of the Directors.

Directors' and Officers' Liability Insurance and Indemnification
During the year under review the Company purchased and maintained liability insurance for its Directors and Officers as permitted by Section 233 of the Companies Act 2006.

The Company has indemnified each of its Directors to cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and at the date of approval of these accounts.

Conflicts of interest
Each Director has a statutory duty to avoid a situation where he has or might have a direct or indirect interest which conflicts or might conflict with the interests of the Company, unless, in accordance with the Articles of Association, the relevant conflict or potential conflict has been authorised by the Board. The Directors have declared all potential conflicts of interest with the Company. The register of potential conflicts of interests is reviewed regularly by the Board and all Directors will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Bribery Prevention Policy
The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board takes its responsibility to prevent bribery very seriously. To aid the prevention of bribery being committed for the benefit of the Company, Devon has adopted a Bribery Prevention Policy. Devon will advise any changes to the policy to the Board. Directors are also required to declare any gifts or entertainment received in relation to their roles as Directors and these are entered on a gift register which is reviewed at quarterly board meetings.

Management arrangements

With effect from 15 November 2019, the Company appointed FundRock Management Company SA ('FundRock') as its AIFM in place of Jupiter Unit Trust Managers Limited. Under the terms of a Portfolio Management Agreement, FundRock has delegated certain portfolio management functions to Devon, as delegated Investment Manager to FundRock, in substitution for the Company's former investment manager, Jupiter Asset Management Limited.

In order to position the Company for any change in the regulatory environment in the United Kingdom post Brexit, in November 2020 the Board elected to switch the entity within the FundRock group that acts as its AIFM from FundRock Management Company SA to its wholly owned and UK regulated entity, FundRock Partners Ltd. There was no change to the terms of engagement or fees payable to the AIFM.

With effect from 1 June 2020, FundRock and Devon are paid aggregate management fees of 0.90% per annum of net assets up to £1 billion and 0.80% per annum on any net assets over this amount. No performance fee is payable to Devon or FundRock.

A summary of management fees paid to FundRock and Devon during the year is set out in Note 19 of the Annual Report and Accounts.

J.P. Morgan Europe Limited ('J.P. Morgan Europe') acts as Depositary to the Company for cash monitoring, safekeeping of financial instruments and other assets and oversight. J.P. Morgan Europe has entered into an internal delegation agreement with J.P. Morgan Chase Bank N.A. ('J.P. Morgan Chase') to delegate the custody functions to it.

Although Devon is both the Investment Manager and the named Company Secretary to the Company, its secretarial and fund administration services have been delegated to J.P. Morgan Europe Limited. Independence from the Investment Manager in the Company's administration and in shareholder communications are considered key governance issues for the Company.

AIFMD disclosures

Under the requirements of the Alternative Investment Fund Managers' Directive ('AIFMD'), FundRock is required to comply with certain disclosure and reporting obligations for funds that are considered to be Alternative Investment Funds including the Company. Details of these disclosures can be found on pages 84 and 85.

Going concern

The accounts have been prepared on a going concern basis. The Board noted that on 10 September 2021, the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £100 million available until September 2022 and credit approval for an additional 'accordion' amount available upon application for a further £50 million. The amount of £65 million was drawn down as at the financial year end on 31 May 2021. The Board, on recommendation from the Audit & Risk Committee, consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses.

In determining the appropriateness of the going concern basis, the Directors gave particular focus this year to the operational resilience and ongoing viability of the Investment Manager and other key third-party suppliers in light of the economic uncertainty arising from the Covid-19 pandemic. The Directors were satisfied that all key third-party suppliers had quickly and effectively put in place contingency planning measures to ensure that operational functionality was not affected as a result of the Covid-19 pandemic and that regular monitoring of these measures was in place.

In assessing the viability of the Company, the Directors focused on: whether the Company's strategic and investment objectives continue to be achievable in the current economic climate; the size threshold below which the fund would be considered uneconomic or unviable; and the Company performance and attractiveness to investors in the current environment. The Directors were satisfied that there were no viability issues that would affect the going concern of the Company.

The Directors continue to adopt the going concern basis of accounting in preparing the accounts while recognising that the Articles of Association of the Company require a continuation vote at every third Annual General Meeting, the next of which is to be held in 2023. Further information regarding the planned life of the Company can be found on page 18.

Risk management & internal controls

In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness.

The Company receives services from FundRock, Devon, J.P. Morgan Chase and J.P. Morgan Europe relating to its investment management, global custody, depositary and certain accounting and administration services. Contractual arrangements are in place with FundRock, Devon, J.P. Morgan Chase and J.P. Morgan Europe which define the areas where the Company has delegated authority to them.

The Board, through its Audit & Risk Committee, has reviewed the effectiveness of the Company's internal control systems which aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and appropriate risk management and control processes are embedded in the day to day operations of its key service providers. Further detail of this review is provided in the Report of the Audit & Risk Committee on page 42. In addition, the Board engaged Optima Consulting Partners to undertake a due diligence review on behalf of the Company prior to the appointment of FundRock and Devon to provide comfort to the Board that appropriate controls, procedures and reporting would continue to enable the Board to discharge its oversight responsibilities effectively.

Throughout the Covid-19 outbreak and on an ongoing basis the Board has held at least quarterly meetings with the Investment Manager at which it has received comfort that the Investment Manager and key service providers have implemented appropriate arrangements to ensure the continued delivery of services to the Company.

The Company does not have an internal audit function. The Audit & Risk Committee considers whether there is a need for an internal audit function on an annual basis. As most of the Company's functions are delegated to third-party suppliers the Board does not consider it necessary for the Company to establish its own internal audit function.

Our Investment Manager's operational resilience

The Covid-19 pandemic has tested the resilience of firms in ways that even their most extreme risk scenarios could not have foreseen. As such, this year the Directors focused on the operational resilience and ongoing viability of the Investment Manager and other key third party suppliers.

Operational resilience is currently a key focus for the FCA, the PRA and the Bank of England. Regulated firms such as our Investment Manager must comply with new regulations which require the assessment of end-to-end delivery of important business services. These include identifying important business services, mapping business processes and systems, setting impact tolerances, conducting scenario testing, and implementing lessons learned. By 31 March 2022, Devon is required to demonstrate the capability to prevent, adapt, respond to, recover, and learn from a broad spectrum of operational disruptions. Subsequently, Devon must set out a prioritised plan to remain with their impact tolerances by a reasonable time, and no later than 31 March 2025.

Devon have advised the Board that they are already fully compliant with the new regulations. The Board understands that Devon has in place frameworks that anticipate, prevent, recover from, and adapt to potential adverse operational events, and is therefore well positioned to safeguard the Company and its assets in its capacity as our investment manager.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. As the Company has no material operations and therefore has low energy usage, it has not included an energy and carbon report.

Engagement with Stakeholders

Information on how the Board engages with its shareholders and other stakeholders can be found in the section 172 statement on pages 25 and 26.

UK Stewardship Code and the Exercise of Voting Powers

The Financial Reporting Council ('FRC') updated the UK Stewardship Code with effect from January 2020. The Investment Manager is compliant with the 2020 UK Stewardship Code. The Board has granted Devon discretion to exercise the Company's voting rights and does not intend to apply separately to become a signatory to the revised code. Details of Devon's Proxy Voting Policy and Stewardship Report are available on the Investment Manager's website: www.devonem.com.

The Investment Manager aims to act in the best interests of the Company's shareholders by engaging with the companies that they invest in, and by exercising voting rights with care. Not only is this commensurate with good market practice, it goes hand in hand with ensuring the responsible investment of the Company's funds. The Board and the Investment Manager believe that institutional investors should exercise their voting rights at general meetings.

In order to assist in the assessment of corporate governance and sustainability issues, Devon subscribes to external corporate governance and sustainability research and data providers. While Devon takes proxy advisers' recommendations into account, stewardship activities are not delegated or outsourced to third parties and recommendations are not automatically followed when deciding how to vote. In some instances, a Devon employee will attend an annual general meeting in person or appoint a representative to attend the meeting and vote on its behalf.

Annual General Meeting

This year's Annual General Meeting will be held at the offices of Devon Equity Management Limited, 123 Victoria Street, London, SW1E 6DE at 11.00 am on Wednesday, 10 November 2021. Subject to any restrictions being in place as a result of Covid-19, the Board would welcome your attendance at the AGM as it provides shareholders with an opportunity to ask questions of both the Board and of the Investment Manager. Resolutions relating to the following special business will be proposed:

Resolution 12: Authority to Allot Shares

The Directors are seeking to renew their authority to allot up to 35,267,946 ordinary shares which is representative of approximately a third of the current issued share capital.

The Directors believe that it would be beneficial to the Company for them to allot shares whenever they consider that it would be in the best interests of the Company's existing shareholders to do so. The shares will only be issued at a premium to net asset value at the time of issue.

Resolution 13: Authority to disapply pre-emption rights

This resolution seeks authority for the Directors to allot shares for cash without first offering them to existing shareholders. The Directors are seeking authority to allot up to 10,580,384 ordinary shares without first offering them to existing shareholders. This is representative of approximately 10% of the current issued share capital.

New ordinary shares will only be issued at prices greater than the prevailing net asset value.

Resolution 14: Authority to buy back shares

Resolution 14 seeks shareholder approval for the Company to renew the power to purchase its own ordinary shares. The Directors believe that the ability of the Company to purchase its own ordinary shares in the market will potentially benefit all shareholders of the Company. The purchase of ordinary shares at a discount to the underlying net asset value would enhance the net asset value on the remaining ordinary shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

The Company is seeking shareholder approval to repurchase up to 15,859,995 ordinary shares, representing approximately 14.99% of the Company's issued share capital.

The decision as to whether to repurchase any ordinary shares will be at the absolute discretion of the Board. Ordinary shares repurchased under this authority may either be held by the Company in treasury for resale or cancelled. The Company will fund any purchases by utilising existing cash resources or loan facilities.

The Board has determined the following policies in respect of the Investment Manager's discretion in the use of treasury shares. Treasury shares will only be reissued at a premium to net asset value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

The authorities sought under resolutions 12 to 15 will expire at the conclusion of the 2022 Annual General Meeting.

Resolution 15: Notice of General Meetings
The Board believes that it is in the best interests of shareholders of the Company to have the ability to call meetings on 14 clear days' notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the Annual General Meeting to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required. The approval will be effective until the Company's next Annual General Meeting. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Directive before it can call a general meeting on 14 clear days' notice.

The full text of resolutions is set out in the Notice of Annual General Meeting on pages 90 and 91. The Board considers the resolutions proposed to be in the best interests of the Company and shareholders as a whole and recommends that shareholders vote in favour of each of these resolutions, as the Directors intend to do in respect of their own holdings.

By order of the Board

Devon Equity Management Limited
Company Secretary
22 September 2021

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Responsibility for effective governance lies with the Board, whose role is to promote the long-term success of the Company. The governance framework of the Company reflects the fact that, as an externally managed investment company, most of its day-to-day responsibilities are delegated to service providers as detailed on pages 86 and 87. The Board generates value for shareholders through its oversight of service providers and management of costs associated with running the Company.

The Board

Chair - Andrew Sutch
Senior Independent Director - Philip Best
Additional non-executive Directors, all considered to be independent.

Key responsibilities:

- to promote the long-term sustainable success of the Company, generating value for shareholders;
- to ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
- to establish a framework of prudent and effective controls which enable risk to be assessed and managed;
- to ensure that the Company meets its responsibilities to shareholders and stakeholders and encourage participation and engagement from all key stakeholders.

Audit & Risk Committee

Chair – Sharon Brown

Key responsibilities:

- to review the Company's financial reports;
- to keep under review the adequacy and effectiveness of the Investment Manager's and other key service providers' internal control and risk management systems;
- to act as primary contact for the external Auditors, to review the independence and performance of the external Auditors and review the Auditors' remuneration.

Management Engagement Committee

Chair – Andrew Sutch

Key responsibilities:

- to review the contractual arrangements and performance of the Investment Manager, AIFM and other key service providers

Remuneration Committee

Chair – The Rt Hon Lord Lamont of Lerwick

Key responsibilities:

- to set the remuneration policy of the Company and keep under review the remuneration of the Directors.

Nomination Committee

Chair – Andrew Sutch

Key responsibilities:

- to review the Board's structure and composition;
- to make recommendations to the Board with respect to its policy on tenure, diversity and succession planning.

All Directors of the Company are members of the Audit & Risk, Management Engagement, Remuneration and Nomination Committees. Copies of the terms of reference, which clearly define the responsibilities of each Committee, can be found on the Company's website at www.europeanopportunitiestrust.com.

No Director holds a Directorship elsewhere in common with another member of the Board.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT continued

The Board has considered the principles and provisions of the AIC Code of Corporate Governance as issued by the Association of Investment Companies in 2019 ('the AIC Code'). The AIC Code addresses the principles and provisions of the UK Code of Corporate Governance, as issued by the Financial Reporting Council ('the FRC') in 2018, as well as setting out additional provisions on issues that are of specific relevance to investment trust companies. The AIC Code is available at www.theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

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

The Company has complied with all of the recommendations of the AIC Code, and, except as set out below, the relevant provisions of the UK Corporate Governance Code:

- The role of the chief executive;
- Executive director's remuneration;
- The need for an internal audit function; and
- Workforce policies and practices.

For the reasons set out in the AIC guide and as explained in the UK Corporate Governance Code, the Board considers these provisions not relevant to the position of the Company, being an externally managed investment company with no executive directors, employees or internal operations.

The Board notes the recommendations of the AIC Code and, where possible, has sought to include further detail in the statement below to explain how the principles and provisions of the AIC Code are being applied.

The Board

Role of the Board

The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company. The Board receives monthly reports and meets at least four times a year to review the performance of the Company's investments and to consider matters specifically reserved for its review. The Board also reviews the Company's activities every quarter to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

Composition

As at 31 May 2021, the Board comprised five non-executive Directors, all of whom are considered to be independent. John Wallinger retired at the conclusion of the Annual General Meeting held on 16 November 2020.

As part of the Board's succession planning programme, Philip Best will retire at the conclusion of this year's Annual General Meeting. Matthew Dobbs and Jeroen Huysinga were appointed to the Board on 1 September 2021.

The Company has no executive directors and no employees.

Board Diversity

It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable each Director to contribute individually, and as part of the Board team, to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity in appointing new directors.

Succession planning
During the year under review, Philip Best advised the Board of his intention to retire with effect from the conclusion of the 2021 AGM. The Chairman, Andrew Sutch, also advised the Board of his intention to retire with effect from the conclusion of the 2022 AGM.

As previously disclosed in the Chairman's Statement on page 5 and the Principal Decisions section on page 27, at the recommendation of the Nomination Committee, and in accordance with Provision 7.2 of the AIC Code, the Board appointed an external independent search consultant to undertake the search for an additional non-executive Director to replace Philip Best.

Upon completion of an initial interview process, two candidates, Mr Matthew Dobbs and Mr Jeroen Huysinga, were invited to second interview with the Nomination Committee.

Following completion of the second interview process, the Nomination Committee agreed that both candidates would complement the current skills, experience and knowledge of the existing Directors and replace the investment experience that would be lost following Philip Best's retirement.

Having noted that Andrew Sutch also planned to retire in 2022, given the strong investment experience of both candidates, the Nomination Committee proposed that both candidates be appointed to the Board.

Matthew Dobbs and Jeroen Huysinga were duly appointed as independent non-executive Directors of the Company with effect from 1 September 2021, and are subject to election by shareholders at the 2021 AGM. Matthew and Jeroen have also been appointed as members of Audit & Risk, Nomination, Remuneration, and Management Engagement Committees with effect from 1 September 2021.

Tenure
The Board is mindful of the AIC Code in relation to the tenure of Directors (including the Chairman). The Board does not consider it appropriate that Directors should be appointed for a specific term, however, in normal circumstances all Directors (including the Chairman) will not serve in excess of nine years.

The Board notes that the Chairman, Andrew Sutch, will have served as a Director for over nine years at the date of this year's AGM. As detailed in the 'Succession Planning' section above, Mr Sutch has advised the Board of his intention to retire at the AGM in 2022. Following review, the Nomination Committee agreed that Mr Sutch remains independent and continues to contribute positively to the Board in his capacity as Chairman. Furthermore, Mr Sutch's final year in office will provide continuity following the recent appointments of Matthew Dobbs and Jeroen Huysinga to the Board. The Nomination Committee concluded that it is in the best interests of the Company that Mr Sutch's tenure as Chairman should continue until his retirement in 2022.

Re-election of Directors
The Board has adopted a policy of annual re-election for all Directors as a matter of best practice, as recommended by the AIC Code.

Philip Best will not offer himself for re-election at this year's Annual General Meeting. The Board, having considered the individual contribution and skills of each of its members, is recommending that all other Directors be re-elected at the forthcoming Annual General Meeting.

Directors' training
Although no formal training in Corporate Governance is given to Directors, the Directors are kept up to date on Corporate Governance issues through bulletins and training materials provided from time to time by the Company Secretary. The Board may obtain training in Corporate Governance on an individual basis.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT continued

Directors' performance evaluation

During the year under review, in order to review the effectiveness of the Board, its Committees and the individual Directors, the Board carried out a process of formal external appraisal. This was facilitated by way of confidential interviews between an external consultant, Tyzack Partners, and each Director. The review resulted in a number of recommendations for the streamlining of the Board's reporting from its third party service providers and in connection with the Board's succession planning. The Board considers that a tri-annual external appraisal process is a constructive means of evaluating the contribution of individual Directors and identifying ways to improve the functioning and performance of the Board and its committees and building on and improving collective strengths, including assessing any training needs. The Board also undertakes an annual internal evaluation, in between the three yearly external reviews, whereby a formal evaluation questionnaire is circulated to each Director for completion and responses are collated by the Company Secretary, the results of which are then reviewed and discussed by the Board.

Board committees

The Board has established Audit & Risk, Nomination, Remuneration and Management Engagement Committees. Details of the role of each Committee can be found below. All Directors are members of the Audit & Risk, Management Engagement, Nomination, and Remuneration Committees.

Audit & Risk Committee

The role of the Audit & Risk Committee and the principal activities carried out by the Committee are disclosed in the Report of the Audit & Risk Committee on page 42.

With reference to provision 8.2 of the AIC Code, the Audit & Risk Committee notes that the Chairman of the Board was independent on appointment and considers his appointment as a member of the Audit & Risk Committee to be appropriate having regard to his skills, experience and valued contributions, which enhance the overall effectiveness of the Audit & Risk Committee.

Nomination Committee

The Nomination Committee is responsible for reviewing the Board's structure and composition and making recommendations to the Board with respect to its policies on tenure, diversity and succession planning. The Nomination Committee leads the process for appointment of additional or replacement directors, having regard to the requirements of the Company's business and the need to have a balanced Board. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the Company's business, having due regard to the benefits of diversity. The Nomination Committee is also responsible for supporting the annual performance evaluation of the Board and individual Directors, led by the Chairman. Further information on the principal activities of the Nomination Committee during the year under review is set out the paragraphs above.

Remuneration Committee

The role of the Remuneration Committee and the principal activities carried out by the Committee are disclosed in the Directors' Remuneration Report on page 45.

Management Engagement Committee

The Management Engagement Committee is responsible for reviewing the contractual arrangements and performance of the Investment Manager, AIFM and other key services providers, excluding the Auditors, which are reviewed by the Audit & Risk Committee.

The Board, with the support of the Management Engagement Committee, reviewed the terms of appointment and performance of the Investment Manager and AIFM, and has concluded that the continuing appointment of the Investment Manager and AIFM is in the best interests of the Company. The Board pays particular attention to the control procedures and processes in place and has concluded that these continue to be handled with the appropriate level of resource and professionalism.

The Board, with the support of the Management Engagement Committee and Investment Manager, reviewed the performance of its other key service providers and is satisfied that each party continued to provide the required level of service and support to the Company.

The terms of reference of each Committee are available on the Company's website www.europeanopportunitiestrust.com.

Directors' attendance at meetings for the year ended 31 May 2021

Director	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	Annual General Meeting
Andrew Sutch	5/5	2/2	1/1	2/2	1/1	1/1
Philip Best	5/5	2/2	1/1	2/2	1/1	N/A†
Sharon Brown	5/5	2/2	1/1	2/2	1/1	N/A†
Virginia Holmes	5/5	2/2	1/1	2/2	1/1	N/A†
The Rt Hon Lord Lamont of Lerwick	5/5	2/2	1/1	2/2	1/1	N/A†
John Wallinger*	2/5	N/A	N/A	N/A	N/A	N/A

* John Wallinger retired on 16 November 2020. Matthew Dobbs and Jeroen Huysinga were appointed subsequent to the year end.
† Due to Covid-19 social distancing requirements only the Chairman was present at the AGM.

For and on behalf of the Board

Andrew Sutch
Chairman
22 September 2021

REPORT OF THE AUDIT & RISK COMMITTEE

Role of the Audit & Risk Committee
The primary responsibilities of the Audit & Risk Committee are to ensure the integrity of the financial reporting by the Company, the appropriateness of the risk management and internal controls processes and the effectiveness of the independent audit process. This report details how we carry out this role.

During the year the principal activities carried out by the Audit & Risk Committee were:

- **Financial reporting:** The Committee reviewed the Company's half yearly and annual financial reports, including any significant accounting matters and agreed the appropriateness of accounting policies adopted. The Committee reviewed and assessed the Company's viability statement and the appropriateness of preparing the Company's financial reports on a going concern basis. We considered and are satisfied that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy;

- **AIC Code:** The Committee reviewed and considered the Company's continuing compliance with the AIC Code;

- **Risk and internal control:** During the year, the Committee held an additional meeting to review and agree changes to the Company's risk register with an emphasis on identifying the key risks facing the Company. The Committee also agreed a process for recording and monitoring emerging risks of potential relevance to the Company. The Committee also considered the internal control reports received from the Investment Manager, the AIFM, the Depositary and Custodian, the effectiveness of the Company's internal control environment and the need for the Company to have its own internal audit function.

- **External Auditors:** The Committee reviewed the independence, effectiveness and fees of PricewaterhouseCoopers LLP ('PwC'), as detailed later in this report.

The Committee's authorities and duties are defined in its terms of reference, which were reviewed during the year and are available on the Company's website www.europeanopportunitiestrust.com

Composition and meetings
All Committee members are independent non-executive Directors. The members of the Committee during the financial year ended 31 May 2021 were: Sharon Brown as Chairman, Andrew Sutch, Virginia Holmes, Norman Lamont and Philip Best. Matthew Dobbs and Jeroen Huysinga were appointed to the Audit & Risk Committee subsequent to the year end. The Committee considers that collectively the members have sufficient recent and relevant sector and financial experience to fully discharge their responsibilities. The performance of the Committee was evaluated as part of the Board appraisal process.

The Committee historically met twice a year but in 2021 this was increased to three times in order to devote a full meeting to the review of risk and internal control.

The Committee invites the Company's Auditors and personnel from Devon and other third party service providers to attend and report to the Committee on relevant matters.

Significant Accounting Matters
Summarised below are the most significant issues considered by the Committee in relation to the Company's accounts for the year ended 31 May 2021, and how these issues were addressed:

Issue considered	How the issue was addressed
Valuation and existence of investments	The valuation of investments is in accordance with accounting policy note 1(c). The Board receives regular reports of the portfolio from the Investment Manager and AIFM. The Committee takes comfort from the Depositary's regular oversight reports that investment related activities were conducted in accordance with the Company's investment policy and also from the internal controls reports prepared. The Company does not invest in unlisted securities. The valuation and existence of investments was tested by the Auditors by reference to independent sources, including confirmation from the Company's Custodian.
Consideration of the impact of Covid-19 in relation to Viability and Going Concern	The Committee considered the appropriateness of the Company's Viability Statement and Going Concern policy in light of impacts of the current Covid-19 pandemic. The Committee considered the risks in relation to Covid-19 and how these might reasonably impact the Company's continuance. They considered both the operational impacts of the pandemic on the Company and third party service providers and the potential financial impacts (including the review of financial forecasts, the liquidity of the Company's portfolio and agreed banking facilities, including loan covenant compliance).
Revenue recognition	Investment income is recognised in accordance with accounting policy Note 1(a). The Committee reviewed detailed revenue forecasts and considered the accounting treatment of special dividends. Investment income was also tested and reported on by the Auditors.
Calculation of management fees	The Committee reviewed the forecast fees at each meeting, and took comfort from the internal controls reports. The Auditors confirmed that the calculations were accurate and in line with the investment management arrangements in place.

External Auditors
The Company's current independent Auditors, PwC, were re-appointed at the 2020 Annual General Meeting. The Auditors are required to rotate audit partners every five years and this is the second year that the audit partner, Tom Norrie, has been in place.

As part of its review of the continuing appointment of the Auditors, the Audit & Risk Committee considers the length of tenure of the audit firm, its fees, independence from the AIFM and the Investment Manager and the effectiveness of the audit process.

In considering the independence of the Auditors, the Committee reviewed:

- The audit plan for the year, including the audit team and approach to significant risks;
- The Auditors' arrangements for any conflicts of interest;
- The extent of any non-audit services (all non-audit services are subject to pre approval by the Committee; there were no non-audit services in the reporting year); and
- The statement by the Auditors that they remain independent within the meaning of the regulations and their professional standards.

With regard to the effectiveness of the audit process, the Committee reviewed:

- The fulfilment by the Auditors of the agreed audit plan;
- The audit findings report issued by the Auditors on the audit of the Annual Report & Accounts for the year ended 31 May 2021; and
- Feedback from the Investment Manager and other service providers on the audit of the Company.

In order to provide appropriate audit quality, additional audit work and therefore resources is now required by the audit profession. This has resulted in audit fees rising and this has been accepted by the Committee having considered the service level, audit quality and market comparisons. The annual audit fee has therefore increased in this financial year to £35,500 (2020: £32,500) and will increase to £39,000 in 2022.

The Committee concluded that the Auditors are independent and the audit process was effective.

There are no contractual obligations restricting the Company's choice of external Auditors.

For and on behalf of the Audit & Risk Committee

Sharon Brown
Chairman of the Audit & Risk Committee
22 September 2021

DIRECTORS' REMUNERATION REPORT AND POLICY

Introduction
The Board is pleased to present the Company's annual remuneration report for the year ended 31 May 2021 in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report on pages 51 to 59.

Role of the Remuneration Committee
The primary responsibility of the Remuneration Committee is to review the level of remuneration of the Directors of the Company to ensure that they remain commensurate, having regard to the time commitment and responsibilities of each role.

Statement by the Chairman of the Remuneration Committee
The Board's policy on remuneration is set out below. Fees payable to Directors should reflect the time spent on the Company's affairs and should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience.

The Directors of the Company are non-executive and by way of remuneration receive an annual fee. With effect from 1 June 2020, on the recommendation of the Remuneration Committee the Board approved an increase in annual fees as follows:

	From:	To:
Chairman	£35,000	£38,500
Chairman of the Audit & Risk Committee	£28,500	£31,500
Directors	£25,000	£27,500

The fee is payable quarterly in arrears. The Company does not award any other remuneration or benefits to the Chairman or Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors.

The remuneration policy of the Company was approved by shareholders at the Annual General Meeting held on 16 November 2020 and next requires to be approved by shareholders at the 2023 Annual General Meeting unless renewed, varied or revoked by the shareholders. The following table sets out the votes received at the 2020 Annual General Meeting:

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
41,638,102	99.81	78,953	0.19	41,717,055	22,482

* Includes discretionary votes.

Element	Purpose	Operation
Fees	To compensate the Directors for their time commitment and the levels of responsibility assumed.	Reviewed by the Remuneration Committee and subject to an annual cap in accordance with the Articles of Association of the Company.

DIRECTORS' REMUNERATION REPORT AND POLICY
continued

Policy on Directors' fees
The Board has established a Remuneration Committee to set the remuneration policy for all Directors and the Chairman and propose any changes to Directors' fees. Any proposed changes to Directors' fees are subject to approval by the Board as a whole and has regard to the level of fees paid to non-executive directors of other investment companies of equivalent size.

Prior to the adjustment effective as of 1 June 2020, the Directors' fees were last increased on 1 June 2017. The Remuneration Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference. The Remuneration Committee did not seek external advice during the year under review.

Other fees and incentives
The Company does not award any other remuneration or benefits to the Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors. Directors are entitled to be repaid all reasonable travel, hotel and other expenses properly incurred by them in or about the performance of their duties as Director, including any expenses incurred in attending meetings of the Board and its Committees or general meetings of the Company.

Directors' service contracts
No Director has a contract of service with the Company. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment or loss of office, other than the payment of any outstanding fees.

The Board does not consider it appropriate that Directors should be appointed for a specific term. However, the Board has adopted a policy of annual re-election for all Directors as a matter of best practice, as recommended by the AIC Code.

Directors' Remuneration Policy
The Company's remuneration policy is that fees payable to Directors are commensurate with the amount of time Directors are expected to spend on the Company's affairs, whilst seeking to ensure that fees are set at an appropriate level so as to enable candidates of a sufficient calibre to be recruited. The Company's Articles of Association states the maximum aggregate amount of fees that can be paid to Directors in any one year. This is currently set at £200,000 per annum and shareholder approval is required for any changes to this limit.

Annual report on remuneration
A single figure for the total remuneration of each Director is set out in the table below for the year ended 31 May 2021 and 31 May 2020 respectively:

Directors' emoluments (audited)

	Year ended 31 May 2021				Year ended 31 May 2020		
Director	Fees (£)	Expenses (£)	Total (£)	Change on prior year (%)	Fees (£)	Expenses (£)	Total (£)
Andrew Sutch	38,500	–	38,500	10.0	35,000	–	35,000
Philip Best*	27,500	–	27,500	0.5	26,537	808	27,345
Sharon Brown*	31,500	–	31,500	34.0	22,700	800	23,500
Virginia Holmes	27,500	–	27,500	10.0	25,000	–	25,000
The Rt Hon Lord Lamont of Lerwick	27,500	–	27,500	10.0	25,000	–	25,000
John Wallinger**	12,653	–	12,653	(49.4)	25,000	28	25,028
	165,153	**–**	**165,163**		**159,237**	**1,636**	**160,873**

* Sharon Brown was appointed as a Director of the Company on 1 August 2019 and replaced Philip Best as Chairman of the Audit & Risk Committee on 14 November 2019.
** John Wallinger retired as a Director of the Company on 16 November 2020.

Expenditure by the Company on Directors' remuneration compared with distributions to shareholders
The table below compares the remuneration paid to Directors to distributions made to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the Company's principal investment objective of achieving capital growth.

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000	Change %
Remuneration paid to Directors	165	159	3.8
Distributions to shareholders	3,891	6,208	(37.3)

Statement of voting at the last Annual General Meeting
The following sets out the votes received at the last Annual General Meeting of the shareholders of the Company, held on 16 November 2020, in respect of the approval of the Directors' Remuneration Report:

Votes cast for*		Votes cast against		Total votes cast	Number of votes withheld
Number	%	Number	%		
41,656,732	99.86	59,205	0.14	41,715,937	23,600

* Includes discretionary votes.

Implementation of the remuneration policy
No significant changes are expected in the Company's approach to director remuneration. Remuneration in accordance with the Company's policy and the overall remuneration of each Director will continue to be monitored by the Remuneration Committee on an annual basis.

Directors' interests
The Directors who held office at the end of the year covered by these accounts and their beneficial interests in the ordinary shares are shown below. No Director was a party to or had any interest in any contract or arrangement with the Company at any time during the year or subsequently. There are no requirements for the Directors of the Company to own shares in the Company.

Directors' interest in ordinary shares (audited)

	31 May 2021	31 May 2020
Andrew Sutch	9,664	9,618
Philip Best*	43,750	43,750
Sharon Brown	3,824	2,354
Virginia Holmes	13,000	13,000
The Rt Hon Lord Lamont of Lerwick	16,045	14,660
John Wallinger	N/A	256,000

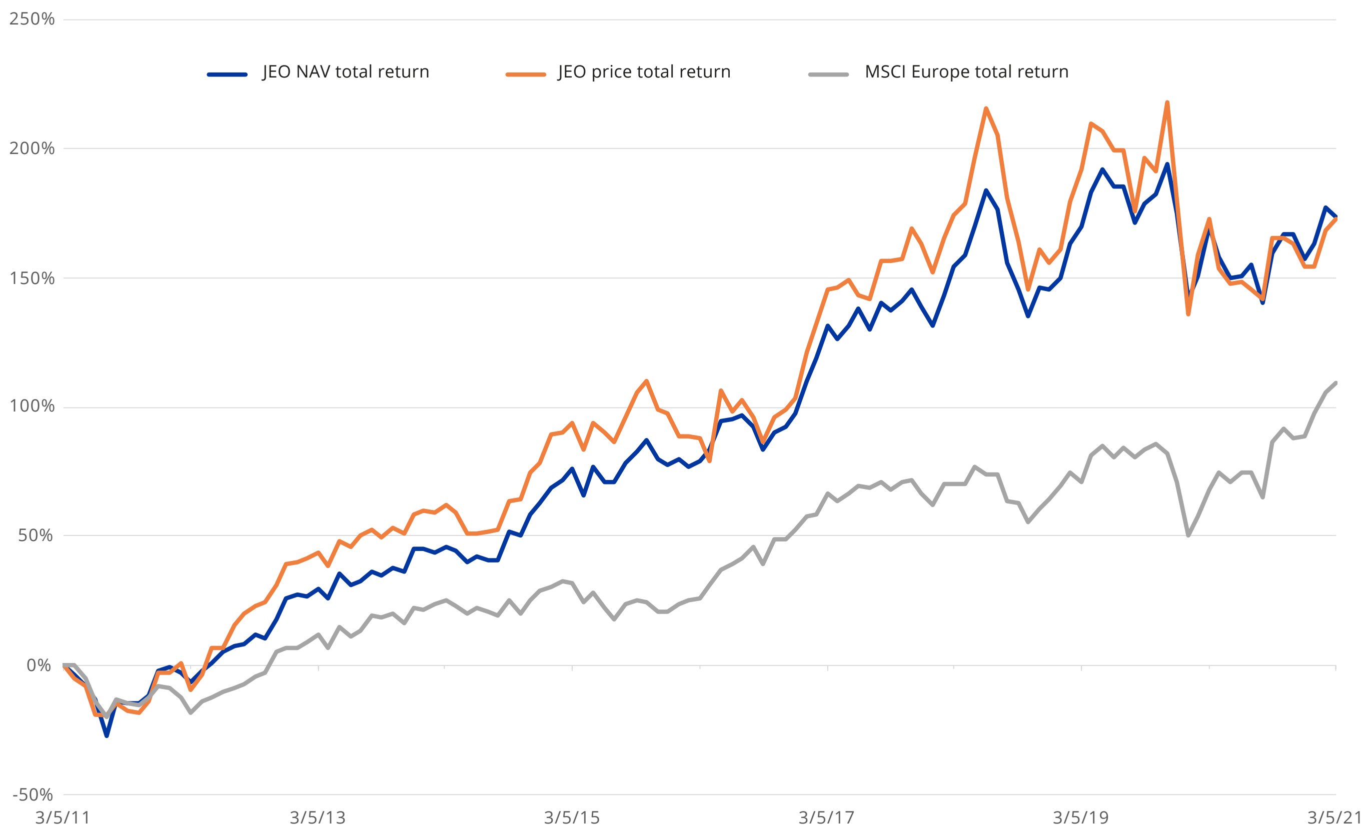
* On 13 July 2021, Philip Best sold 38,750 ordinary shares in the Company bringing his total holding to 5,000 ordinary shares.

Note: Matthew Dobbs holds 20,000 ordinary shares in the Company, with a further 6,000 ordinary shares being held by a person closely associated. Jeroen Huysinga holds 11,000 ordinary shares in the Company.

DIRECTORS' REMUNERATION REPORT AND POLICY
continued

Performance from 31 May 2011 to 31 May 2021
The graph below provides details of the Company's performance by reference to the ordinary shares price compared against the Benchmark, the total return on the MSCI Europe Total Return Index in GBP, which has been chosen as the most suitable Index against which to measure the performance of the Company.

In accordance with the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008' (SI 2008/410) as amended in August 2013, the graph tracks a rolling ten-year performance.



Source: MSCI & Devon Equity Management. Total returns with dividends added back. Past performance is no guide to the future.

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the Directors' Remuneration Report and Policy summarises, for the year ended 31 May 2021, the review undertaken and the decisions made regarding the fees paid to the Board, and the future remuneration policy of the Company which is to be approved by shareholders.

By order of the Board

The Rt Hon Lord Lamont of Lerwick
Chairman of the Remuneration Committee
22 September 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRS") in conformity with the Companies Act 2006.

Under company law the Directors must not approve the accounts 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 those accounts, the Directors are required to:

(a) select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

(b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

(c) provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;

(d) state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the accounts; and

(e) make judgements and estimates that are reasonable and prudent.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website; www.europeanopportunitiestrust.com. The work carried out by the Auditors does not include consideration of the maintenance and integrity of the website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the accounts when they are presented on the website.

Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions. 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, who are listed on pages 29 and 30 of this report, confirm to the best of their knowledge that:

(a) the accounts, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

(b) the report includes a fair view 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 the Company faces; and

(c) in the opinion of the Board, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS continued

So far as each Director is aware at the time the report is approved:

(a) there is no relevant audit information of which the Company's Auditors are unaware; and

(b) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

By order of the Board

Andrew Sutch
Chairman
22 September 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC

Report on the audit of the financial statements

Opinion
In our opinion, European Opportunities Trust PLC's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its return and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2021; the Income Statement, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages Devon Equity Management Limited (the "Investment Manager") to manage its assets. • We conducted our audit of the financial statements using information from J.P. Morgan Chase Bank N.A, (the "Administrator") to whom the Manager has, with the consent of the Directors, delegated the provision of certain administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of third parties referred to above, the accounting processes and controls, and the industry in which the Company operates. • We obtained an understanding of the control environment in place at both the Manager and the Administrator and adopted a fully substantive testing approach using reports obtained from the Administrator.
Key audit matters	• Valuation and existence of investments • Income from investments • Consideration of the impact of COVID-19
Materiality	• Overall materiality: £8,790,000 (2020: £9,200,000) based on 1% of net asset value. • Performance materiality: £6,592,000.

The scope of our audit

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

Key audit matters

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

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

Ability to continue as a going concern (Continuation Vote), which was a key audit matter last year, is no longer included because of a continuation vote passing at the 2020 AGM. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to Report of the Audit & Risk Committee, Accounting Policies and Notes to the Accounts. The investment portfolio at the year-end comprised listed equity investments valued at £937 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Balance Sheet in the Financial Statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources. No material misstatements were identified. We tested the existence of the investment portfolio by agreeing investment holdings to an independent custodian confirmation. No material misstatements were identified.
Income from investments Refer to Report of the Audit & Risk Committee, Accounting Policies and Notes to the Accounts. We focused on the accuracy, completeness and occurrence of investment income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for investment income recognition and the presentation of investment income in the Income Statement for compliance with the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP"), as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for investment income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income from investments had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income from investments has been accounted for in accordance with the stated accounting policy. We tested accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. To test for occurrence, we confirmed that a sample of dividends recorded had occurred in the market and traced a sample of cash payments to bank statements. To test for completeness, we tested, for all investment holdings in the portfolio, that all dividends declared in the market for investment holdings had been recorded. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. Our procedures did not identify any material misstatements.

Key audit matter	How our audit addressed the key audit matter
Consideration of the impact of COVID-19 Refer to the Chairman's Statement, Principal Risks and Uncertainties, Viability Statement and the Going Concern Statement which disclose the impact of the COVID-19 coronavirus pandemic. The COVID-19 outbreak has been declared a pandemic by the World Health Organisation. Since the first quarter of 2020, it has caused significant economic uncertainty globally and disruption to supply chains and travel, slowed global growth and caused volatility in global markets and in exchange rates. The Directors have prepared the financial statements of the Company on a going concern basis, and believe this assumption remains appropriate. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and that the Company and its key third party service providers have in place appropriate business continuity plans and will be able to maintain service levels throughout the COVID-19 pandemic.	We evaluated the Directors' assessment of the impact of the COVID-19 pandemic on the Company by: • Evaluating the Company's updated risk assessment and considering whether it addresses the relevant threats presented by COVID-19. • Evaluating management's assessment of operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements. We obtained and evaluated the Directors' going concern assessment which reflects conditions up to the point of approval of the Annual Report by: • Obtaining evidence to support the key assumptions and forecasts driving the Directors' assessment. This included reviewing the Directors' assessment of the Company's financial position and forecasts, their assessment of liquidity and loan covenant compliance as well as their review of the operational resilience of the Company and oversight of key third party service providers. We assessed the disclosures presented in the Annual Report in relation to COVID-19 by: • Reading the other information, including the Principal Risks and Viability Statement set out in the Strategic Report, and assessing its consistency with the financial statements and the evidence we obtained in our audit. Our conclusions relating to other information are set out in the 'Reporting on other information' section of our report. Our conclusions relating to going concern are set out in the 'Conclusions related to going concern' section below.

How we tailored the audit scope

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

Materiality

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

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

Overall materiality	£8,790,000 (2020: £9,200,000).
How we determined it	1% of net asset value
Rationale for benchmark applied	We have applied this benchmark, which is a generally accepted auditing practice for investment trust audits.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £6,592,000 for the company financial statements.

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

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £439,000 (2020: £461,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- evaluating the Directors' updated risk assessment and considering whether it addressed the relevant threats presented by Covid-19;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- challenging the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in net asset value as a result of market performance on the ongoing ability of the Company to operate.

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

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 May 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report and Policy to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

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

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

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

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

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Relation to the Accounts, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

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

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

- Discussions with the Manager and the Audit & Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Audit & Risk Committee;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Identifying and testing journal entries, in particular year-end journal entries posted by the Administrator during the preparation of the financial statements and any journals with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Use of this report

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

Other required reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 11 November 2019 to audit the financial statements for the year ended 31 May 2020 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 May 2020 to 31 May 2021.

Thomas Norrie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 September 2021

INCOME STATEMENT
for the year ended 31 May 2021

	Notes	Year ended 31 May 2021 Revenue £'000	Capital £'000	Total £'000	Year ended 31 May 2020 Revenue £'000	Capital £'000	Total £'000
Gain/(loss) on investments	8	–	2,047	2,047	–	(3,268)	(3,268)
Other exchange gain/(loss)		–	38	38	–	(315)	(315)
Income from investments	2	12,435	–	12,435	16,303	–	16,303
Total income/(loss)		**12,435**	**2,085**	**14,520**	**16,303**	**(3,583)**	**12,720**
Investment management fee		(7,694)	–	(7,694)	(8,331)	–	(8,331)
Other expenses	3	(999)	–	(999)	(1,016)	–	(1,016)
Total expenses		**(8,693)**	**–**	**(8,693)**	**(9,347)**	**–**	**(9,347)**
Net return/(loss) before finance costs and taxation		**3,742**	**2,085**	**5,827**	**6,956**	**(3,583)**	**3,373**
Finance costs	4	(496)	–	(496)	(1,357)	–	(1,357)
Return/(loss) on ordinary activities before taxation		**3,246**	**2,085**	**5,331**	**5,599**	**(3,583)**	**2,016**
Taxation	5	(907)	–	(907)	(941)	–	(941)
Net return/(loss) after taxation*		**2,339**	**2,085**	**4,424**	**4,658**	**(3,583)**	**1,075**
Return/(loss) per ordinary share	6	**2.12p**	**1.89p**	**4.01p**	**4.13p**	**(3.17)p**	**0.96p**

* There is no other comprehensive income and therefore the 'Net return/(loss) after taxation' is the total comprehensive income/(loss) for the financial year

The total column of this statement is the income statement of the Company, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are both prepared under guidance produced by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Notes on pages 64 to 79 form part of these accounts.

BALANCE SHEET
as at 31 May 2021

	Notes	2021 £'000	2020 £'000
Fixed Assets			
Investments	8	936,972	913,329
Current assets			
Debtors	9	3,942	4,045
Cash and cash equivalents		9,892	25,503
		13,834	29,548
Total assets		**950,806**	**942,877**
Current liabilities			
Creditors – amounts falling due within 1 year	10	(71,817)	(19,960)
Total assets less current liabilities		**878,989**	**922,917**
Capital and reserves			
Called up share capital	21	1,129	1,129
Share premium	11	204,133	204,133
Special reserve	12	33,687	33,687
Capital redemption reserve	13	45	45
Reserves	14	639,995	683,923
Total shareholders' funds		**878,989**	**922,917**
Net asset value per ordinary share	15	**824.29p**	**817.72p**

The accounts on pages 60 to 63 were approved by the Board of Directors on 22 September 2021 and signed on its behalf by:

Andrew Sutch
Chairman

Company Registration Number 4056870

The Notes on pages 64 to 79 form part of these accounts.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 May 2021

For the year ended 31 May 2021	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2020		1,129	204,133	33,687	45	683,923	922,917
Net return after taxation		–	–	–	–	4,424	4,424
Repurchase of ordinary shares into treasury	21	–	–	–	–	(44,461)	(44,461)
Dividends declared and paid*	7	–	–	–	–	(3,891)	(3,891)
Balance at 31 May 2021		**1,129**	**204,133**	**33,687**	**45**	**639,995**	**878,989**

For the year ended 31 May 2020	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2019		1,128	203,485	33,687	45	689,137	927,482
Net return after taxation		–	–	–	–	1,075	1,075
Ordinary share issue	11, 21	1	648	–	–	–	649
Repurchase of ordinary shares into treasury	21	–	–	–	–	(81)	(81)
Dividends declared and paid*	7	–	–	–	–	(6,208)	(6,208)
Balance at 31 May 2020		**1,129**	**204,133**	**33,687**	**45**	**683,923**	**922,917**

* Dividends paid during the financial year were paid out of revenue reserves.

[1] An analysis of reserves broken down into revenue (distributable) items and capital items (non-distributable) is given in Note 14.

The Notes on pages 64 to 79 form part of these accounts.

CASH FLOW STATEMENT
for the year ended 31 May 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Investment income received (gross)		10,972	18,067
Deposit interest received		–	1
Investment management fee paid		(7,763)	(8,119)
Investment performance fee paid		–	(7,185)*
Other cash expenses		(1,137)	(900)
Net cash inflow from operating activities before taxation and interest	16	**2,072**	**1,864**
Interest paid		(444)	(1,544)
Overseas tax (incurred)/recovered		(935)	235
Net cash inflow from operating activities		**693**	**555**
Cash flows from investing activities			
Purchases of investments		(208,841)	(168,639)
Sales of investments		186,203	243,016
Net cash (outflow)/inflow from investing activities		**(22,638)**	**74,377**
Cash flows from financing activities			
Ordinary shares issued		–	649
Repurchase of ordinary shares into treasury		(39,813)	(81)
Equity dividends paid		(3,891)	(6,208)
Repayment of loan		–	(100,000)
Drawdown of loan		50,000	40,000
Net cash inflow/(outflow) from financing activities		**6,296**	**(65,640)**
(Decrease)/increase in cash		**(15,649)**	**9,292**
Cash and cash equivalents at start of year		25,503	16,526
Realised gain/(loss) on foreign currency		38	(315)
Cash and cash equivalents at end of year		**9,892**	**25,503**

* The performance fee paid in the financial year ended 31 May 2020 relates to a previous financial year.

The Notes on pages 64 to 79 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Accounts comprise the financial results of the Company for the year to 31 May 2021. The functional and reporting currency of the Company is pounds sterling because that is the currency of the prime economic environment in which the Company operates. The accounts were authorised for issue in accordance with a resolution of the Directors on 22 September 2021. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the Companies Act 2006.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in November 2014 (as amended in February 2018 and again in October 2019) is consistent with the requirements of IFRS in conformity with the Companies Act 2006, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP. The accounts have also been prepared in accordance with the Disclosure and Transparency Rules issued by the Financial Conduct Authority (FCA).

The Accounts have been prepared under the historic cost modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss. The accounting policies have been consistently applied throughout the year ended 31 May 2021 and in the prior year other than where new policies have been adopted.

The Board continues to adopt the going concern basis in the preparation of the financial statements.

(a) Income recognition

Ordinary dividends from investments are recognised when the investment is quoted ex–dividend on or before the date of the Balance Sheet. All overseas dividend income is disclosed net of withholding tax.

Ordinary dividends receivable from equity shares are taken to the revenue return column of the Income Statement.

Deposit and other interest receivable are accounted for on an accruals basis. These are classified within operating activities in the Cash Flow Statement.

Special dividends are reviewed on a case by case basis to determine if the dividend is to be treated as revenue or capital.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented. In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of dividend.

An analysis of reserves broken down into revenue (distributable) items, and capital items (non–distributable) is given in Note 14.

All other operational costs (but with the exception of any investment performance fees which are charged to capital) are charged to revenue.

(c) Basis of valuation of investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition.

The investments are designated as fair value through profit or loss on initial recognition as this as these investments are held for trading. This is consistent with the Company's documented investment strategy.

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Income Statement in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques.

These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

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

(e) Foreign currencies
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non–monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Income Statement with the revenue or capital column depending on the nature of the underlying item.

(f) Borrowing and finance costs
Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost.

Interest on the loan facility is accrued at the rate specified by the lender on renewal date.

Bank interest is recognised in the Income Statement in the period in which they are incurred.

All finance costs are directly charged to the revenue column of the Income Statement.

(g) Expenses
Expenses are accounted for on an accruals basis. Management fees, administration and other expenses are charged fully to the revenue column of the Income Statement. Due to changes to management arrangements during the previous financial year, performance fees are no longer payable by the Company from 15 November 2019 onwards. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

NOTES TO THE ACCOUNTS continued

1. Accounting Policies continued

(h) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Balance Sheet.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

Accounting developments
At the date of authorisation of the financial statements, the following amendment to the IAS Standards and Interpretations was assessed to be relevant and is effective for annual periods beginning on or after 1 January 2020:

IAS 1 and IAS 8 amendments: Definition of Material Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Standards issued but not yet effective: At the date of authorisation of the financial statements, the following standards and interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2021:

IFRS 9, IAS 39 and IAS 7 amendments: Interest Rate Benchmark Reform. These will be effective for the financial statements for the year ending 31 May 2022.

There are no other accounting standards, amendments, or interpretations effective, that have or will have material impact on these financial statements. Furthermore, the Company has not been an early adopter of any such standards, amendments, and interpretations to existing standards prior to their effective date.

The Directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the financial statements of the Company in future periods.

Significant accounting judgements, estimates and assumptions
Management have not applied any accounting judgements, which would have a significant impact on this set of accounts or those of the prior financial year.

2. Income

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Income from investments		
Dividends from United Kingdom companies	4,339	6,991
Dividends from overseas companies	8,096	9,312
	12,435	**16,303**

3. Other administrative expenses

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Directors' remuneration	165	159
Auditors' remuneration including VAT – audit	43	41
Administration fee	178	157
Safe custody charges	74	68
Legal and professional fees	9	120
Registrar's fee	78	79
Brokerage fees including VAT	36	24
Other professional fees including VAT	129	113
AIFMD fee	148	131
FCA fees	28	23
Printing & publication of reports to shareholders	15	15
Other administrative expenses	96	86
	999	**1,016**

4. Finance costs

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Interest on short-term loan	255	1,256
Commitment fees	158	36
Bank charges	83	65
	496	**1,357**

All finance costs are charged to revenue.

LIBOR
With LIBOR expected to be discontinued after the end of 2021, this being part of the loan facility interest calculation, a new reference rate was implemented in June 2021.

5. Taxation

(a) Analysis of charge in year	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Foreign tax suffered	907	941

All tax costs are charged to revenue.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax for a company 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Net return before taxation	5,331	2,016
Corporation tax at 19.00% (2020: 19.00%)	1,013	383
Effects of:		
Tax free capital (gain)/loss in investments	(396)	681
Exempt dividend income	(2,363)	(3,098)
Foreign tax incurred	907	941
Excess expenses for the year	1,746	2,034
Total tax charge for the year	**907**	**941**

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

There is an unrecognised deferred tax asset of £23,956,000 (at 19%) (2020: £22,210,000 at 19%) which relates to unutilised excess expenses. The prior year potential deferred tax asset of £20,812,000 in relation to surplus management expenses was rebased on completion of the annual tax return which resulted in a deferred tax asset of £22,210,000. The deferred tax asset would only be recovered if the Company were to generate sufficient profits to utilise these expenses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

6. Returns per share

The returns per share figure is based on the net return for the year of £4,424,000 (2020: net return £1,075,000), and on 110,313,831 (2020: 112,868,089) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The return per share figure detailed above can be further analysed between revenue and capital, as below.

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Net revenue return	2,339	4,658
Net capital return/(loss)	2,085	(3,583)
Net total return	**4,424**	**1,075**
Weighted average number of shares in issue during the year	110,313,831	112,868,089
Revenue return per share	2.12p	4.13p
Capital return/(loss) per share	1.89p	(3.17p)
Return per share	**4.01p**	**0.96p**

7. Dividends

Amounts recognised as distributions to equity holders in the year:

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
2020 final dividend of 3.50p paid on 111,175,062 shares (2019: 5.50p paid on 112,875,331 shares)	3,891	6,208

Set out below is the total dividend payable in respect of the financial year under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2021 £'000	2020 £'000
2021 final dividend of 2.0p (2020: 3.50p)	2,116*	3,943**

* Based on the number of shares in issue as at 14 September 2021, the latest practicable date prior to the publication of the Annual Report and Accounts. Subject to shareholder approval at the 2021 Annual General Meeting, a final dividend of 2.0p per share will be paid on 26 November 2021 to those shareholders on the register of shareholders as at 22 October 2021.

** A final dividend of 3.50p per share was paid on 27 November 2020 to those shareholders on the register of shareholders as at 22 October 2020.

NOTES TO THE ACCOUNTS continued

8. Investments

	Year ended 31 May 2021 £'000	Year ended 31 May 2020 £'000
Market value of investments at beginning of year	913,329	993,246
Net unrealised gain at beginning of year	(396,988)	(425,774)
Cost of investments at beginning of year	**516,341**	**567,472**
Purchases at cost during the year	206,211	167,955
Sales at cost during year	(134,789)	(219,086)
Cost of investments at end of year	587,763	516,341
Net unrealised gain at end of year	349,209	396,988
Market value of investments at end of year	**936,972**	**913,329**

	2021 £'000	2020 £'000
Gain/(loss) on investments		
Net gain on the sale of investments	49,826	25,518
Movement in unrealised losses	(47,779)	(28,786)
Gain/(loss) on investments	**2,047**	**(3,268)**

2021 transaction costs incurred during the year amounted to £620,709 (2020: £418,092).

9. Debtors

	2021 £'000	2020 £'000
Dividends receivable	2,163	700
Prepayments and accrued interest	40	46
Foreign recoverable tax	1,739	1,711
Sales for future settlement	–	1,588
	3,942	**4,045**

10. Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Interest payable	99	35
Investment management fee payable	1,927	1,996
Other creditors and accruals	4,791	299
Short–term bank loans*	65,000	15,000
Purchases awaiting settlement	–	2,630
	71,817	**19,960**

* As at 31 May 2021 the following loan amounts were outstanding:

£20.0 million payable on 10 June 2021

£15.0 million payable on 11 June 2021

£10.0 million payable on 26 July 2021

£10.0 million payable on 12 August 2021

£10.0 million payable on 18 August 2021

Subsequent to the financial year end an additional £10 million was drawn down under the Company's loan facility. The Company's total drawn down borrowings as at the date of this document were £75 million.

11. Share premium

	2021 £'000	2020 £'000
At 1 June	204,133	203,485
Issue of ordinary shares	–	648
At 31 May	**204,133**	**204,133**

12. Special reserve

	2021 £'000	2020 £'000
At 1 June	33,687	33,687
At 31 May	**33,687**	**33,687**

On 23 January 2001, pursuant to a special resolution passed on 17 January 2001, court approval was granted for the reduction of the share premium account by 50%. The reduction was made to enable the Company to repurchase its own shares from the funds held in the special reserve created as a result of the reduction in the share premium account as and when deemed appropriate by the Board.

NOTES TO THE ACCOUNTS continued

13. Capital redemption reserve

	2021 £'000	2020 £'000
At 1 June	45	45
At 31 May	**45**	**45**

14. Reserves

	Revenue reserve £'000	Capital reserve £'000	Total £'000
At 1 June 2020	11,866	672,057	683,923
Net return for the year	2,339	2,085	4,424
Dividends paid	(3,891)	–	(3,891)
Shares repurchased	–	(44,461)	(44,461)
At 31 May 2021	**10,314**	**629,681**	**639,995**

The capital reserve includes £349,209,000 of investment holding gains (2020: £396,988,000). The capital reserve is not distributable except by way of redemptions or purchases of own shares per the Articles of Association. The amount of the capital reserve that is distributable is complex to determine and is not necessarily the full amount of the reserve as disclosed within these accounts. The revenue reserve is distributable by way of a dividend.

15. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £878,989,000 (2020: £922,917,000) and on 106,635,840 (2020: 112,864,311) ordinary shares, being the number of ordinary shares in issue at the year end.

16. Net cash inflow from operating activities before taxation and interest

	2021 £'000	2020 £'000
Net return before finance costs and taxation	5,827	3,373
(Gain)/loss on investments	(2,047)	3,268
Realised (gain)/loss on foreign currency	(38)	315
(Increase)/decrease in prepayments and accrued income	(1,457)	1,751
(Decrease)/increase in other creditors and accruals	(213)	342
Decrease in performance fees*	–	(7,185)
Net cash inflow from operating activities before interest and taxation	**2,072**	**1,864**

* The Company's former performance fee was terminated with effect from 15 November 2019.

17. Analysis of changes in financing activities

	1 June 2020 £'000	Transactions in the year £'000	Cashflow £'000	31 May 2021 £'000
Bank loans	(15,000)	(50,000)	–	(65,000)
Equity dividends paid	–	3,891	(3,891)	–
Shares repurchased	–	39,813	(39,813)	–
Total	**(15,000)**	**(6,296)**	**(43,704)**	**(65,000)**

Subsequent to the financial year end, on 10 September 2021, the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £100 million available until September 2022 and credit approval for an additional 'accordion' amount available upon application for a further £50 million. The amount of £65 million was drawn down as at the financial year end on 31 May 2021.

18. Financial instruments

Background
The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short–term debtors and creditors which are denominated in sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk;
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement;
- interest rate risk;
- liquidity risk; and
- credit and counterparty risk.

The Investment Manager's policies for managing these risks are summarised in the following paragraph and have been applied throughout the year.

(a) Foreign currency risk
A portion of the financial assets of the Company are denominated in currencies other than sterling with the result that the Statement of Balance Sheet and Comprehensive Income can be significantly affected by currency movements.

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

Foreign currency sensitivity
The following tables illustrate the sensitivity of the revenue and capital returns, and accordingly net assets, to exchange rates for the Sterling against the Euro, Danish Krone, Swiss Franc, Norwegian Krone and Swedish Krona. It assumes the following changes in exchange rates:

£/Euro +/– 5% (2020: +/– 5%) £/Danish Krone +/– 5% (2020: +/– 5%) £/Swiss Franc +/– 5% (2020: +/– 10%)

£/Norwegian Krone +/– 5% (2020: +/–15%)

18. Financial instruments continued

This percentage has been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the Balance Sheet date.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

			2021			2020
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	(234)	26,033	25,799	(270)	30,682	30,412
Danish Krone	(41)	4,591	4,550	(41)	4,695	4,654
Swiss Franc	(8)	832	824	(15)	1,685	1,670
Norwegian Krone	(6)	687	681	–	–	–
	(289)	**32,143**	**31,854**	**(326)**	**37,062**	**36,736**

If sterling had strengthened against the currencies below this would have the following effect:

			2021			2020
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	234	(26,033)	(25,799)	270	(30,682)	(30,412)
Danish Krone	41	(4,591)	(4,550)	41	(4,695)	(4,654)
Swiss Franc	8	(832)	(824)	15	(1,685)	(1,670)
Norwegian Krone	6	(687)	(681)	–	–	–
	289	**(32,143)**	**(31,854)**	**326**	**(37,062)**	**(36,736)**

Note that this represents the impact of investment valuations and management fees only.

(b) Market price risk
By the very nature of its activities, the Company's investments are exposed to market price fluctuations. The Board reviews and agrees policies for managing this risk. The Investment Manager assesses the exposure to market price 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. Further information on the investment portfolio and investment policy is set out in the Investment Manager's review.

Other price risk sensitivity
The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2020: 20%) in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Company's equities at each year end date, with all other variables (except management and performance fees) held constant in the fair value price of the Company's equities.

The impact of a 20% increase in the value of investments on the capital return is an increase of £187,394,000 (2020: £182,666,000) due to the increase in investments.

The impact of a 20% fall in the value of investments on the capital return is a decrease of £187,394,000 (2020: £182,666,000) due to the decrease in investments.

(c) Interest rate risk
Interest rate movements may affect:

- the fair value of investments of any fixed interest securities;
- the level of income receivable from any floating interest–bearing securities and cash at bank and on deposit; and
- the interest payable on the Company's floating interest term loans.

The Board reviews regularly the values of the Company's fixed interest rate securities. The Board imposes limits on the Company's borrowing to ensure gearing levels are appropriate to market conditions, and these are monitored and reviewed on a regular basis. The Company's borrowings are conducted through a fixed rate facility, which allows the Investment Manager to finance opportunities at competitive rates.

Interest rate sensitivity
As interest rates for any short term loans are fixed at the commencement of the loan, only cash at call are subject to interest rate movements.

All such deposits at call, earn interest at the applicable daily rate. Therefore, if a sensitivity analysis was performed by increasing or decreasing the interest rates applicable to the Company's cash balances held at each reporting date, with all other variables held constant, there would be no material change to the profit after taxation or net assets for the year.

The financial assets (excluding short–term debtors) consist of:

			2021			2020
	Floating rate £'000	Non–interest bearing £'000	Total £'000	Floating rate £'000	Non–interest bearing £'000	Total £'000
Sterling	4,460	294,098	298,558	6,479	188,938	195,417
Euro	1,199	520,661	521,860	18,370	613,645	632,015
Danish Krone	4,233	91,831	96,064	654	93,894	94,548
Swiss Franc	–	16,634	16,634	–	16,852	16,852
Norwegian Krone	–	13,748	13,748	–	–	–
	9,892	**936,972**	**946,864**	**25,503**	**913,329**	**938,832**

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

The non–interest bearing assets represent the equity element of the investment portfolio at 31 May 2021.

NOTES TO THE ACCOUNTS continued

18. Financial instruments continued

The financial liabilities consist of:

			2021			2020
	Fixed rate £'000	Non–interest bearing £'000	Total £'000	Fixed rate £'000	Non–interest bearing £'000	Total £'000
Sterling	65,000	6,817	71,817	15,000	4,960	19,960
	65,000	**6,817**	**71,817**	**15,000**	**4,960**	**19,960**

The fixed rate liabilities consist of a short–term bank loan with The Bank of Nova Scotia, London Branch.

(d) Liquidity risk
Liquidity risk is not considered significant. All liabilities are payable within three months.

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short–term flexibility is achieved through the use of short–term borrowings.

(e) Credit and counterparty risk
Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by the Manager's Risk Management Team and by dealing through Devon Equity Management Limited with banks approved by the Financial Conduct Authority. The Company does not currently have scope to use derivatives in its investment policy. If it did, any derivative positions would be marked to market and exposure to counterparties would be monitored on a daily basis by the Investment Manager; the Board reviews it on a quarterly basis. The maximum exposure to credit risk at 31 May 2021 was £13,834,000 consisting of short term debtors and cash and cash equivalents (2020: £29,548,000).

The calculation is based on the Company's credit exposure as at 31 May 2021. There are no financial assets that are past due and the adoption of the expected credit loss model for impairment under IFRS 9 has not had a material impact on the Company. The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk but instead, recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability–weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the Investment Manager's opinion, due to the low level of expected future losses on cash and receivables, no provision has been made for ECLs.

(f) Fair value of financial assets and financial liabilities
The financial assets and financial liabilities are carried in the Balance Sheet at their fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, short term bank loans and cash at bank).

Fair value hierarchy
IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the statement of Balance Sheet are grouped into the fair value hierarchy as follows:

				2021				2020
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
	936,972	–	–	936,972	913,329	–	–	913,329

(g) Use of derivatives
Pursuant to the Company's stated investment policy, the Company does not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes.

(h) Capital management policies and procedures
The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);
- the need for new issues of equity shares, including shares from treasury; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- The value of any short–term loans must be supported by a level of readily realisable assets.
- As a public company, the Company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year, and the Company has complied with them.

18. Financial instruments continued

As at 31 May 2021 the Company's total capital was £878,989,000 (2020: £922,917,000) made up of:

	2021 £'000	2020 £'000
Ordinary shares	1,129	1,129
Reserves	877,860	921,788
Total capital	**878,989**	**922,917**

19. Related parties

Devon Equity Management Limited ('Devon') has been appointed as delegated Investment Manager for the Company by the AIFM since 15 November 2019.

With effect from 1 June 2020, Devon has been entitled to aggregate management fees of 0.90% per annum of net assets (i.e. excluding drawn down borrowings under the Company's loan facilities) up to £1 billion and 0.80% per annum on any net assets over this amount (with FundRock's fee as AIFM being deducted from amounts due to Devon). No performance fee is payable to Devon.

The fee payable to Devon for the period from 1 June 2020 to 31 May 2021 was £7,694,000 (2020: £8,331,000) with £1,927,000 outstanding at period end (2020: £1,996,000).

Fees payable to the Directors for the year ended 31 May 2021 were £165,153 (2020: £159,237) with £27,000 outstanding at year end (2020: £31,000). Fees paid to Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 46 and 47.

Devon, as the Company's named Company Secretary, has delegated certain secretarial and fund administration services to the Company's Administrator J.P. Morgan Europe Limited. In line with good governance practice and fostered by the independence between key suppliers, the Company has put safeguards in place to ensure effective shareholder communication and engagement.

20. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments outstanding as at 31 May 2021 (2020: nil).

21. Called–up share capital

As at 31 May 2021	Number	2021 £000	Number	2020 £000
Authorised				
Ordinary shares of 1p each	305,000	3,050	305,000	3,050
Issued, called–up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	112,864	1,129	112,800	1,128
Issue of ordinary shares	–	–	75	0.75
Repurchase of ordinary shares into treasury*	(6,228)	(62)	(11)	–
Closing balance of ordinary shares	106,636	1,067	112,864	1,129
Treasury shares				
Balance brought forward	11	–	–	–
Repurchase of ordinary shares into treasury	6,228	62	11	–
Closing balance of ordinary shares held in treasury	6,239	62	11	–
Total	**112,875**	**1,129**	**112,875**	**1,129**

* During the year to 31 May 2021, the Company purchased 6,228,471 ordinary shares to be held in treasury.

22. Post balance sheet events

Since 1 June 2021 a total of 832,000 ordinary shares have been repurchased to be held in treasury (as at 14 September 2021).

On 10 September 2021, the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £100 million available until September 2022 and credit approval for an additional 'accordion' amount available upon application for a further £50 million. The amount of £65 million was drawn down as at the financial year end on 31 May 2021.

CALCULATION OF ALTERNATIVE PERFORMANCE MEASURES

The Company uses the following Alternative Performance Measures ("APMs"). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. No APMs have been identified or added since the prior year end.

Discount or premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market.

This price is not identical to the net asset value per share of the Company. If the share price is lower than NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers of shares than buyers. The discount is shown as a percentage of the NAV per share. Shares trading at a price above NAV per share are deemed to be at a premium.

		31 May 2021 pence	31 May 2020 pence
Net asset value per share	(a)	824.3	817.7
Share price per share	(b)	750.0	753.0
(Discount) or premium (c = (b-a)/b)	**(c)**	**(9.0%)**	**(7.9%)**

Gearing – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a "prior charge" over the assets of a company, ranking before ordinary shareholders in their entitlement to capital and/or income. They may include preference shares; debentures; overdrafts and short and long-term loans from banks. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a "net" or "effective" gearing percentage, or to be used to buy investments, giving a "gross" or "fully invested" gearing figure. Where cash assets exceed borrowings, the Company is described as having "net cash". The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report. At year end, the Company had net cash on its balance sheet.

		31 May 2021 £000	31 May 2020 £000
Loan		65,000	15,000
Less cash and cash equivalents*		(3,370)	(25,503)
Total	(a)	61,630	(10,503)
Net asset value	(b)	878,989	922,917
Net gearing (c = a/b)	**(c)**	**7.0%**	**0%**

Gross gearing at year end was 7.4%.

* Includes unsettled transactions as at 31 May 2021 of £6,522,000.

Ongoing charges – all operating costs that are payable by the Company, expressed as a proportion of the average net assets of the Company over the reporting year. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, non-recurring costs and the costs of buying back or issuing shares.

		31 May 2021 £'000	31 May 2020 £'000
Management fee		7,694	8,331
Other expenses		999	1,016
Total	(a)	8,693	9,347
Average daily net assets	(b)	875,865	947,337
Ongoing charges c= (a/b)*100	**(c)**	**0.99**	**0.99**

Total return – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the share price or net asset value in the period. The dividends are assumed to have been reinvested on the date on which the shares were quoted ex-dividend.

	Net asset value	Share price
Net asset value/Share price per share at 31 May 2021 (pence)	824.3	750.0
Net asset value/Share price per share at 31 May 2020 (pence)	817.7	753.0
Change in the year	0.8%	(0.4)%
Impact of dividend reinvested	0.4%	0.5%
Total return for the year	**1.2%**	**0.1%**

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Investment Fund – an Alternative Investment Fund ('AIF') is a collective investment undertaking, including investment compartments of such an undertaking, which (1) raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (2) does not require authorisation under the UCITS regime. The Company is an AIF.

AIFM/Alternative Investment Fund Manager – an Alternative Investment Fund Manager ('AIFM') is an entity that provides certain investment services, including portfolio and risk management services. The Company has appointed FundRock Partners Limited as its AIFM.

Alternative Investment Fund Managers Directive – a European Union Directive to provide a harmonised framework for monitoring and supervising risks posed by AIFMs and the AIFs they manage, and for strengthening the internal market in alternative funds.

Alternative Performance Measures – The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.' The Company uses the following Alternative Performance Measures which are all defined in this Glossary of Terms and their calculations detailed on pages 80 and 81: Discount/Premium; net asset value; Ongoing Charges and Total Return.

Benchmark – The Company's primary Benchmark Index, against which its performance is measured, is MSCI Europe Total Return Index in GBP.

Discount* – The amount, expressed as a percentage, by which the share price is less than the net asset value per share.

Discount management – Discount management is the process of the buyback and issuance of company shares by the Company, to and from its own holding or 'treasury' with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is to ensure that, in normal market conditions, the market price of the Company's shares will not materially vary from its net asset value per share. The authority to repurchase the Company's shares is voted upon by the shareholders at each Annual General Meeting.

Gearing* – Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment company gears, the higher the risk. Gearing is typically expressed as a percentage of shareholders Funds.

Middle market price – The middle market price is the mid-point between the buy and the sell prices.

Net asset value – The net asset value in relation to a fund is the market value of its assets less its liabilities (and is sometimes also referred to as shareholders' funds). The market value is usually determined by the price at which an investor can redeem a share. For valuation purposes it is common to express the net asset value on a per share basis.

Net asset value total return* – The net asset value return with dividends added back on their ex-dividend date.

Ongoing charges ratio* – Ongoing charges are the total expenses including both the investment management fee and other costs. The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, non-recurring costs and the costs of buying back or issuing shares. The ongoing charges ratio is expressed as a percentage of net asset value.

Premium* – The amount, expressed as a percentage, by which the share price is more than the net asset value per share.

Return – The return generated in a given period from the investments:

- **Revenue return** reflects the dividend and interest from investments and other income net of expenses, finance costs and taxation;

- **Capital return** reflects the capital gain or loss, excluding any revenue return; and

- **Total return*** reflects the aggregate of revenue and capital returns.

Share price total return* – The share price return with dividends added back on their payment date.

Shareholders' Funds – Shareholders' funds are also described as "net asset value" and represent the total value of the Company's assets less the total value of its liabilities.

Treasury shares – Ordinary shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not pay dividends, have no voting rights and are excluded from the net asset value per share calculation.

* An Alternative Performance Measure.

ALTERNATIVE INVESTMENT FUND MANAGER'S DISCLOSURE

In compliance with the Alternative Investment Fund Managers Directive ("AIFMD"), the Board has appointed FundRock Partners Limited ("FundRock") as the Company's Alternative Investment Fund Manager ("AIFM"). FundRock has delegated the portfolio management function to Devon Equity Management Limited. Details of the Management Agreement can be found in the Directors' Report on page 33.

The table below discloses information required by the Alternative Investment Fund Managers Regulations 2013.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Investment management	The AIFM, FundRock Partners Limited, provides risk management, portfolio management and marketing functions in relation to the Company. In fulfilling its responsibilities the AIFM is permitted to delegate certain functions and duties to third parties provided that it retains responsibility for and oversight over such delegates. The AIFM has delegated portfolio management for the Company to Devon Equity Management Limited. The Board is responsible for setting the investment objective, policies and guidelines for the Company and the AIFM and Devon Equity Management Limited each operate within these parameters.	Details of the Company's investment objective, strategy and investment policy, including limits, are on page 16.
Risk management	The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management. The AIFM has a Risk Management Process Document which is agreed with the Board and demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under the AIFMD. The Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing. The Board, as part of UK corporate governance, remains responsible for the identification of significant risks and for the ongoing review of the Company's risk management and internal control processes.	The AIFM has an ongoing process for identifying, evaluating and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of internal control and for reviewing its effectiveness. Further details can be found in the Strategic Report on pages 21 and 22 and in Note 18 to the Accounts on pages 73 to 76.
Valuation of illiquid assets	The AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company.	Not Applicable.

Function	AIFM Role and Responsibility	AIFMD Disclosure
Leverage	The Company uses leverage (Gross Leverage and Commitment Leverage) to increase its exposure primarily to investee companies and currently no holds derivative instruments. The AIFM has set maximum levels of leverage that are reasonable. It has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times.	The maximum gross leverage limits are 1.5 times. At 31 May 2021, actual gross leverage was 1.14 times. The maximum commitment leverage limits are 2.0 times. At 31 May 2021, actual commitment leverage was 1.15 times.
Liquidity management	The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually.	No new arrangements for managing the liquidity of the Company have been made. Further details can be found in Note 18 to the Accounts on pages 73 to 76.

Remuneration of the AIFM
Under the Alternative Investment Fund Managers Directive ("AIFMD"), FundRock Partners Ltd. ("FundRock") acting as the Alternative Investment Fund Manager ("AIFM") of the Company is required to disclose the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the Company.

FundRock has established an AIFM Remuneration Policy designed to ensure that the AIFM Remuneration Code in the UK Financial Conduct Authority handbook is met proportionately for all AIFM Remuneration Code Staff. Further details of FundRock's Remuneration Policy can be found at https://www.fundrock.com/uk-remuneration-policy/

In its role as an AIFM, FundRock deems itself as lower risk due to the nature of the activities it conducts. Therefore FundRock has provided a basic overview of how staff whose actions have a material impact on the Company are remunerated.

	Number of Beneficiaries[1]	Total remuneration paid[2] £	Fixed remuneration £ (everything else that is not discretionary)	Variable remuneration paid £ (discretionary)	Carried interest paid by the Company
Total remuneration paid by FundRock during the financial year	24	1,805,223	1,709,638	95,585	–
Remuneration paid to employees of the AIFM who have a material impact on the risk profile of the Company	5	418,491	367,406	51,085	–

1 Number of beneficiaries represents employees of the AIFM who are fully or partially involved in the activities of the Company as at 31 May 2021.

2 Total remuneration paid represents total compensation of those employees of the AIFM who are fully or partially involved in the activities of the Company, based on their time in the role during the reporting period. Due to AIFM's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable.

Due to the size and structure of FundRock, it is determined that employees of the AIFM who have a material impact on the risk profile of the Company include the Board and Head of compliance.

The Investment Manager is subject to regulatory requirements on remuneration that FundRock deem to be equally as effective as those detailed in the AIFMD, which would include the Capital Requirements Directive or Markets in Financial Instruments Directive.

COMPANY INFORMATION

Directors	Andrew Sutch (Chairman) Philip Best Sharon Brown Virginia Holmes The Rt Hon Lord Lamont of Lerwick Matthew Dobbs (Appointed 1 September 2021) Jeroen Huysinga (Appointed 1 September 2021) John Wallinger (Retired 16 November 2020)
Registered office	123 Victoria Street London SW1E 6DE www.europeanopportunitiestrust.com www.devonem.com Telephone: 0203 985 0445 Email: enquiries@devonem.com
AIFM	FundRock Partners Limited 52-54 Gracechurch Street London EC3V 0EH Authorised and regulated by the Financial Conduct Authority
Investment Manager and Secretary	Devon Equity Management Limited 123 Victoria Street London SW1E 6DE Authorised and regulated by the Financial Conduct Authority
Custodian	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP Authorised and regulated by the Financial Conduct Authority
Depositary and Administrator	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

Registrar	Link Group Central Square 29 Wellington Street Leeds LS1 4DL **Telephone:** 0371 664 0300 Lines are open from 9.00am to 5.30pm Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. **Telephone (international)**: +44 (0)371 664 0300 (Calls outside the United Kingdom will be charged at the applicable International rate) www.linkgroup.eu Email: enquiries@linkgroup.co.uk
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Broker	Cenkos Securities plc 6-8 Tokenhouse Yard London EC2R 7AS Authorised and regulated by the Financial Conduct Authority
Company information	Registered at Companies House in England & Wales with number 4056870 An investment Company under s.833 of the Companies Act 2006 **LEI:** 549300XN7RXQWHN18849 **FATCA GIIN:** G0YWMG.99999.SL.826 **Sedol:** 0019772 **ISIN:** GB0000197722 **Ticker:** JEO.LN

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London
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PREMIUM

The Company is a member of The Association of Investment Companies ("AIC") from whom general information on investment trusts can be obtained by telephoning 020 7282 5555 or by email to enquiries@theaic.co.uk.

FURTHER INFORMATION

Dividend reinvestment plan and managing your account online

Shareholders may elect for the Company's registrar, Link Asset Services, to reinvest dividends automatically on their behalf. The reinvestment plan terms and conditions are available upon request from the helpline, by email to shares@linkgroup.co.uk, or through www.signalshares.com. The helpline number is 0371 664 0300, or from overseas +44 (0) 371 664 0300. Calls to this number are charged at the standard geographical rate and will vary by provider. Calls outside of the United Kingdom will be charged at the applicable international rate. Lines are open from 09.00am-5.30pm Monday to Friday.

Signal shares is an online portal enabling you to manage your shareholding online. If you are a direct investor you can view your shareholding, change the way the registrar communicates with you, register the way you wish to receive your dividends, and buy and sell shares. If you have not used this service before, all you need to do is enter the name of the Company and register your account. You will need your investor code (IVC) printed on your share certificate in order to register.

Retail distribution of non-mainstream Products

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority ('FCA') 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.

Common Reporting Standard

With effect from 1 January 2016, The Organisation for Economic Cooperation and Development ('OECD') introduced Regulations for Automatic Exchange of Financial Account Information (the Common Reporting Standard, 'CRS'). HMRC enacted the CRS in the UK through The International Tax Compliance Regulations 2015.

These Regulations require all financial institutions to share certain information on overseas shareholders with HMRC; this scope includes an obligation for investment trust companies which had previously had no such reportable accounts under the UK FATCA regulations. Accordingly, the Company is required to provide information to HMRC on the tax residencies of a few non-UK based certificated shareholders and corporate entities on an annual basis. HMRC will in turn exchange this information with tax authorities in the country in which the shareholder may be resident for taxation purposes. HMRC has advised that the Company will not be required to provide such information on uncertificated holdings held through CREST. The Company has engaged Link Asset Services to provide such information on certificated holdings to HMRC, the deadline being 31 May annually.

MSCI data

This document contains information based on the MSCI Europe Index. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Further Information

Visit www.europeanopportunitiestrust.com for factsheets containing key information about performance, portfolio and pricing, the most recent annual and half-yearly reports and accounts and investor insights from Devon.

For investors who do not have access to the internet, documents are also available on request from the Devon Team on 0203 985 0445.

Should you wish to be added to an email distribution list for future editions of the monthly factsheet, please send an email to enquiries@devonem.com. Further information about the Company is also available from third party websites such as www.morningstar.co.uk and www.theaic.co.uk.

NOTICE OF ANNUAL GENERAL MEETING

This Notice of Meeting is an important document. If you are in any doubt as to what action to take, you should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of European Opportunities Trust PLC will be held at the offices of Devon Equity Management Limited, 123 Victoria Street, London, SW1E 6DE at 11.00 am on Wednesday, 10 November 2021.

Shareholders will be asked to consider and, if thought fit, pass resolutions 1 to 12 which will be proposed as ordinary resolutions, and resolutions 13, 14 and 15, which will be proposed as special resolutions:

ORDINARY BUSINESS

1. That the Report of the Directors and the audited Accounts of the Company for the year ended 31 May 2021 be received.
2. That the Directors' Remuneration Report for the year ended 31 May 2021 be approved.
3. That a final dividend of 2.0p per ordinary share be paid in respect of the financial year ended 31 May 2021.
4. That Matthew Dobbs be elected as a Director of the Company.
5. That Jeroen Huysinga be elected as a Director of the Company.
6. That Andrew Sutch be re-elected as a Director of the Company.
7. That Sharon Brown be re-elected as a Director of the Company.
8. That Virginia Holmes be re-elected as a Director of the Company.
9. That The Rt Hon Lord Lamont of Lerwick be re-elected as a Director of the Company.
10. That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company.
11. That the Directors be authorised to agree the remuneration of the Auditors.

SPECIAL BUSINESS

12. That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the Directors under Section 551 of the Act, to allot shares in the capital of the Company ('shares') up to a maximum aggregate nominal amount of £352,679.46 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

13. That the Directors of the Company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 12 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities up to an aggregate nominal amount of £105,803.84 and

    (b) in addition to the authority referred to in (a) above, an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

14. That the Company be and is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of Section 693 of the Act) of ordinary shares provided that:

    (a) the maximum number of shares that may be purchased is 15,859,995 ordinary shares, being 14.99% of the issued number of ordinary shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of ordinary shares at the date of passing the resolution;

    (b) the minimum price which may be paid shall be one pence per ordinary share;

    (c) the maximum price (excluding the expenses of such purchase) which may be paid for each ordinary share is the higher of:

        (i) 105% of the average middle market quotations for such ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and

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

    (d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

15. That a General Meeting other than the Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Devon Equity Management Limited
Company Secretary
123 Victoria Street
London SW1E 6DE

22 September 2021

NOTES FOR ANNUAL GENERAL MEETING

1. A Member entitled to attend and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a Member of the Company. A form of proxy, if used, must be lodged at the Company's registrars, Link Group, PXS 1, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL not less than 48 hours (excluding non-business days) before the Meeting. To appoint more than one proxy you may photocopy a paper proxy. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be entered on the Company's Register of Members 48 hours prior to the Meeting. If the Meeting is adjourned then, to be so entitled, Members must be entered on the Company's Register of Members 48 hours prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.
3. Electronic proxy voting is available for this meeting. If you would like to submit your voting instructions using the web-based voting facility please go to www.signalshares.com. If you have not already registered with Signal Shares you will need your Investor Code which can be found on your share certificate or a recent dividend certificate. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu.
4. 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 Link Group. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged not less than 48 hours prior to the time of the Meeting as specified in the Notice of Annual General Meeting 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.
5. If you require a paper proxy please email the Company's registrar, Link Group, at enquiries@linkgroup.co.uk or you may call Link on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales.
6. As at 14 September 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 112,875,331 ordinary shares of 1p each, of which 7,071,491 were held in treasury. As a result, the total voting rights as at 14 September 2021 was 105,803,840.
7. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote 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.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9. If you have disposed of your holding in the Company the report should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

10. 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/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

11. A copy of the Notice of Meeting and other information required by section 311A of the Companies Act 2006, can be found at www.europeanopportunitiestrust.com.

12. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the company: (i) to give, to members of the company entitled to receive notice of the meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business at the meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the company not later than the date that is six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

13. Under Section 527 of the Act, Members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditors of the Company ceasing to hold office since the previous AGM at which the annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the Members requesting any such website publication to cover any costs incurred in complying with Section 527 or 528 and is required to forward any statement placed on a website to the Company's auditors not later than the time when it makes the statement on the website. The business which may be dealt with at the Meeting includes any statements that the Company has been required under Section 527 of the Act to publish on a website.

14. Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy, or Annual Report should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the company's AGM).

15. Should you have any queries about voting or the Annual General Meeting please contact the Company's registrars Link Group, whose contact details are set out on page 87.

FSC
www.fsc.org
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100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on Revive Offset paper containing 100% recycled fibre. The FSC® label on this product ensures responsible use of the world's forest resources.

DEVON

Equity Management

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