RNS Number : 9052X
abrdn UK Smaller Cos. Growth Trust
04 September 2025

abrdn UK Smaller Companies Growth Trust plc

Annual Financial Report for the year ended 30 June 2025

Legal Entity Identifier (LEI): 213800UUKA68SHSJBE37

Investment Objective

To achieve long-term capital growth by investment in UK-quoted smaller companies

Reference Index

The Company's reference index is the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index.

Website

www.abrdnuksmallercompaniesgrowthtrust.co.uk

Performance Highlights and Financial Calendar

Net asset total return[AB]		Share price total return[AB]	
2025	+6.8%	2025	+11.4%
2024	+18.1%	2024	+21.0%
Total dividends per share		Discount to net asset value[AB]	
2025	13.20p	2025	9.0%
2024	12.00p	2024	12.5%
Revenue return per share		Ongoing charges ratio[AB]	
2025	13.52p	2025	0.85%
2024	13.12p	2024	0.92%

[A] Considered to be an Alternative Performance Measure.

[B] A Key Performance Indicator ("KPI").

For further information, please contact:

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abrdn Fund Managers Limited
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Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise. Investors may not get back the amount they originally invested.

Financial Calendar

Online Shareholder Presentation	22 October 2025
Annual General Meeting (London)	20 November 2025
Payment of final dividend for year ending 30 June 2025	28 November 2025

Half year end	31 December 2025
Expected announcement of results for the six months ending 31 December 2025	February 2026
Payment of interim dividend for year ending 30 June 2026	April 2026
Financial year end	30 June 2026
Expected announcement of results for year ending 30 June 2026	September 2026

Financial Highlights

	30 June 2025	30 June 2024	% change
Capital return			
Total assets	£399.2m	£453.1m	(11.9%)
Equity shareholders' funds	£359.2m	£413.1m	(13.0%)
Market capitalisation[A]	£326.8m	£361.3m	(9.5%)
Net asset value per share	581.37p	556.19p	4.5%
Share price	529.00p	486.50p	8.7%
Discount to NAV[B]	9.0%	12.5%	
Net gearing[B]	6.6%	5.8%	
Reference index[C]	5,780.00	5,534.18	4.4%
Dividends and earnings			
Revenue return per share[D]	13.52p	13.12p	3.0%
Total dividends per share[E]	13.20p	12.00p	10.0%
Operating costs			
Ongoing charges ratio[BF]	0.85%	0.92%	

[A] Represents the number of Ordinary shares in issue in the Company multiplied by the Company's share price.

[B] Considered to be an Alternative Performance Measure.

[C] Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index.

[D] Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Statement of Comprehensive Income).

[E] The figures for dividend per share reflect the years in which they were earned (see note 8.

[F] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

Chairman's Statement

Dear Shareholders

It is pleasing to report a further year of healthy returns for your company.

The period under review was a positive one for UK smaller companies but was set against a volatile macro economic backdrop, including in particular the impact on the UK economy of the budget in October and US 'Liberation Day' trade tariffs introduced in April this year.

Performance

For the year ended 30 June 2025, the Company's net asset value ("NAV") total return, calculated on the basis that all dividends received are reinvested in additional shares, was 6.8% (2024: 18.1%). The share price total return, calculated on the same basis, was higher, at 11.4% (2024: 21.0%). These returns compare to a total return of 7.8% generated by the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index (the "reference index").

Having outperformed the reference index at the half year stage, the second half of the year proved more challenging for the Company, with the Investment Manager's Quality focus out of favour during that period.

A detailed review of performance and investment activity for the year is included in the Investment Manager's Review.

Earnings and Dividends

The revenue return per share ("EPS") for the year ended 30 June 2025 was 13.52p (2024: 13.12p), an increase of 3.0% compared to the previous year. The Company has continued to benefit from the strong earnings resilience of its portfolio holdings. There was also an enhancement to earnings of 0.96p per share (7.6%) as a result of share buy backs undertaken during the year. Recurring income is increasingly the predominant source of dividends, with only 4.7% of total revenue coming from special

Recurring income is increasingly the predominant source of dividends, with only 4.7% of total revenue coming from special dividends during the year. This can be compared to the position 10 years ago when approximately 20% of the revenues generated were special dividends, demonstrating the current trend by companies to return capital to shareholders through share buy backs rather than special dividends.

The Board is declaring a final dividend for the financial year of 9.50p per share, which will take the full year dividend to 13.20p per share, an increase of 10.0% on the full year dividend paid in 2024. In reaching its decision the Board has sought to provide a material but sustainable uplift in the dividend and also to provide for the future by bolstering the revenue reserves of the Company. The increase in the dividend is partly as a result of the strength of the Revenue Account but also because share buy backs have reduced the number of shares qualifying for the dividend. So, although there is a significant uplift in the dividend per share, the full cost of the dividend payable will fall by almost 10% and we will be able to transfer approximately £1.4 million to revenue reserves to help mitigate any future shortfalls in income. Subject to approval by shareholders at the AGM, the final dividend will be paid on 28 November 2025 to shareholders on the register on 31 October 2025, with an associated ex-dividend date of 30 October 2025.

Gearing

The Board has given the Investment Manager discretion to vary the level of gearing between 5% net cash and 25% net gearing (at the time of drawdown). During the year the Company was fully drawn on its £40 million unsecured revolving credit facility with The Royal Bank of Scotland International ("RBSI") which was due to mature in November this year. At the year end, the gross level of borrowings was offset by cash and cash equivalents of £16.2 million resulting in net gearing of 6.6% (2024: 5.8%).

Since the year end, the Company has replaced its loan facility with a new £40 million secured facility with Bank of America. The new facility is an 'evergreen' facility and the Board will keep the terms and cost of the facility under regular review to ensure that it remains appropriate for the Company's needs. The Board considers that the new facility is cost effective and provides flexibility to the Investment Manager. The At the time of writing, the full amount of £40 million has been drawn down.

Management Fee Revision

As previously announced, the Board reviewed the management fee arrangements during the year and agreed a revision to the agreement with effect from 1 April 2025. From that date, fees are calculated at a rate of 0.60% per annum on the first £200 million of net assets and thereafter at a rate of 0.55%. This replaced the previous arrangement whereby the first £175 million of net assets were charged at a rate of 0.75% per annum, the next £375 million at 0.65% and 0.55% above £550 million. Based on net assets at 30 June 2025, this represents an annual reduction of 17.3% in the fees charged by Aberdeen to manage the Company.

Ongoing Charges

The ongoing charges ratio ("OCR") for the year ended 30 June 2025 was 0.85% (2024: 0.92%). The reduction is attributable to the lower management fee rate and lower administrative expenses compared to 2024. Had the new management fee arrangement been in place for the whole year, the OCR would have been 0.78%.

Discount Control and Share Buy Backs

At the year end, the discount of the share price to the NAV was 9.0% (2024: 12.5%).

Over the year, the Company bought back 12.5 million shares, equating to 16.8% of the issued share capital, at a total cost of £62.6 million and a weighted average price of 498.6p per share. The weighted average discount at which the shares were repurchased was 10.2%. The Board calculates that this added 9.8p per share to the NAV for shareholders. Since the year end, a further 3.5 million shares have been repurchased.

The Board remains committed to its discount target of 8% in normal market conditions and will continue to be active in the market when it believes it to be in the best interests of shareholders. It is pleasing to note that the discount has narrowed over the last 12 months, reflecting the significant level of buy backs undertaken.

The pace of buy backs meant that the Board convened a General Meeting on 21 May 2025 at which shareholders granted authority to the Board to renew the buy back authority for a further 14.99% of the issued share capital. The renewed authority will lapse at the AGM, at which time the Board will seek a renewed authority.

Cancellation of Share Premium Account

Following shareholder approval at the General Meeting on 21 May 2025, the Company received court approval, by way of a court order dated 15 August 2025, for cancellation of the amount standing to the credit of the Share Premium Account. The court order was registered at Companies House on 20 August 2025 at which point cancellation of the entire amount standing to the credit of the Share Premium Account, being approximately £170 million, became effective. That amount has been credited to a special distributable reserve which is available to fund the cost of share buy backs and future dividend payments, if required.

The Board believes that it is in the Company's interest to have this flexibility in its reserves, although the Board has no current intention of using the new reserve for dividend payments which it expects will continue to be resourced through annual net revenues and revenue reserves.

Amendment to Investment Policy

During the year, the Board and Investment Manager reviewed the guidelines governing the management of the portfolio and determined that the part of the investment policy relating to the number of holdings should be amended from its current articulation of normally comprising between 50-60 holdings to state that the portfolio will normally comprise approximately 50 individual holdings representing the Investment Manager's highest conviction investment ideas. This amendment is more reflective of the number of holdings that have been in the portfolio over the past couple of years and the number that the Investment Manager would typically expect to hold. As at 30 June 2025 there were 51 holdings in the portfolio. This amendment does not represent a change in the way that the portfolio is managed and it is not a material change to the investment policy that would require shareholder approval.

Change of Company Name

Shareholders may be aware that the Company's Manager has recently changed its name from abrdn plc to Aberdeen Group plc. The Board considers that aligning the name of the Company with that of the Manager, and being able to benefit from awareness of the Aberdeen brand, is in the best interests of shareholders and is therefore proposing that the Company's name be changed to "Aberdeen UK Smaller Companies Growth Trust plc". Under the terms of the Company's Articles of Association, the change of name needs to be approved by shareholders and a resolution seeking this approval is included in the Notice of AGM. If approved, the change of the name will be effected as soon as possible after the AGM.

Online Investor Presentation

In order to encourage as much interaction as possible with our shareholders, we will be hosting an online investor presentation, which will be held at 11:00am on Wednesday 22 October 2025. At this event there will be a presentation from the portfolio managers, Abby Glennie and Amanda Yeaman, followed by a live question and answer session. The online presentation is being held ahead of the AGM to allow shareholders sufficient time to submit their proxy votes after the event. Full details on how to register for the event can be found on the Company's website: abrdnuksmallercompaniesgrowthtrust.co.uk.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will take place at 12 noon on Thursday 20 November 2025 at Aberdeen's

The Company's Annual General Meeting ("AGM") will take place at 12 noon on Thursday 20 November 2025 at Aberdeen's office at 18 Bishops Square, London E1 6EG. The meeting will include a presentation from the portfolio managers and will be followed by lunch. This is a good opportunity for shareholders to meet the Board and portfolio managers and we would encourage you to attend.

Shareholders will be able to submit questions in advance of the AGM at the following email address: uksmallercompaniesgrowth@aberdeenplc.com. Should you be unable to attend the AGM, the Investment Manager's presentation will be available on the Company's website shortly afterwards. The results of the AGM will also be published on the website.

In the meantime, the Board strongly encourages all shareholders to exercise their votes in respect of the AGM in advance of the meeting, and to appoint the Chair of the meeting as their proxy, by completing the enclosed proxy form. This should ensure that your votes are registered.

Outlook

This time last year, UK investors were focussed on two significant uncertainties: the identity of the next President of the USA and how the new UK Chancellor would manage to balance her initial budget. Whilst both of those are now clear, the levels of economic and fiscal uncertainty in both the UK and US seem just as elevated, and broader geopolitical issues remain unresolved. Consequently, market sentiment is unsettled and markets remain volatile. This looks set to continue for the foreseeable future.

In the UK specifically, navigating a path to growth for the Government is beset with obstacles, even without accounting for the ongoing threats by the US to alter trading tariffs. It does feel as though the effect of external influences on markets has been higher in recent years than through modern history, and this tends to drive short-term volatility. There is clear concern that the Chancellor will need to increase the tax take again in the Autumn and the presumption is that this cannot be good for the economy. Having said that, we do need to recognise that press coverage in the UK is inevitably focused on the woes of the domestic economy; many developed economies are in equally challenging positions and UK stock market valuations remain cheap by historic standards.

To an extent, this is borne out by the feedback that the portfolio managers are hearing when they talk to the management teams of the companies in the portfolio. Their message is very different; their companies are mostly doing well and have generally had a good first half of the year. This is the key for the portfolio. When looking ahead and at the prospects for the Company, it is important to remember that we invest in companies, not markets and, more than that, we invest in the proven experience and ability of the management teams. We are investing in companies led by teams who have, in the last 10 years, had to navigate a number of major geopolitical issues, including the recent impact of US trade tariffs, and some of them have done very well, significantly outperforming the reference index. This is the opportunity that active management offers. Past performance is not a guide to the future, but there are some high-quality companies out there and the portfolio managers are focused on identifying them to incorporate into the portfolio.

Liz Airey
Chair
3 September 2025

Overview of Strategy

Business

The Company is an investment trust and its Ordinary shares are listed on the Main Market of the London Stock Exchange.

Investment Objective

The Company's objective is to achieve long-term capital growth by investment in UK-quoted smaller companies.

Investment Policy

The Company intends to achieve its investment objective by investing in a diversified portfolio consisting mainly of UK-quoted smaller companies. The portfolio will normally comprise approximately 50 individual holdings representing the Investment Manager's highest conviction investment ideas. In order to reduce risk in the Company without compromising flexibility, no holding within the portfolio should exceed 5% of total assets at the time of acquisition.

The Company may use derivatives for portfolio hedging purposes (i.e. only for the purpose of reducing, transferring or eliminating the investment risks in its investments in order to protect the Company's portfolio).

Within the Company's Articles of Association, the maximum level of gearing is 100% of net assets. The Directors have set parameters of between 5% net cash and 25% net gearing (at the time of drawdown) for the level of gearing that can be employed in normal market conditions. The Directors have delegated responsibility to the Investment Manager for the operation of the gearing level within the above parameters.

Board Investment Limits

The Directors have set additional guidelines in order to reduce the risk borne by the portfolio:

- Companies with a market capitalisation of below £50 million should not represent more than 5% of total assets.
- Companies involved in "Blue Sky" products should not represent more than 5% of total assets.
- No more than 40% of the portfolio should be invested in companies that are constituents of the FTSE AIM All-Share Index.

Investment Process

The Investment Manager's investment process combines asset allocation, stock selection, portfolio construction, risk management, and dealing. The investment process has evolved out of the Investment Manager's 'Focus on Change' philosophy and is led by Quality, Growth and Momentum. The Investment Manager's stock selection led investment process involves compiling a shortlist of potential investments using a proprietary screening tool known as "the Matrix" which reflects Quality, Growth and Momentum based factor analysis. The final portfolio is the result of intensive research and includes face to face meetings with senior management of these potential investments. This disciplined process has been employed for many years and has delivered strong long term performance.

Reference Index

The Company's reference index is the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index.

Delivering the Investment Objective

The Directors are responsible for determining the Company's investment objective and investment policy. Day-to-day management of the Company's assets has been delegated, via the Alternative Investment Fund Manager (the "AIFM"), to the Investment Manager.

Investment Manager.

Promoting the Success of the Company

The Board's statement below describes how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 and how they have promoted the success of the Company for the benefit of the members as a whole.

Key Performance Indicators ("KPIs")

The Board assesses the performance of the Company against the range of KPIs shown below over a variety of timeframes, but has particular focus on the long-term, which the Board considers to be at least five years.

KPI	Description
Net asset value ("NAV") total return performance	The Board measures the Company's NAV total return performance against the total return of the reference index (the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index) and its peer group of investment trusts.
Share price total return performance	The Board measures the Company's share price total return performance against the total return of the reference index and its peer group of investment trusts.
Discount/premium to NAV	The Board compares the discount or premium of the Ordinary share price to the NAV per share with the discount/premium of the peer group and also to the Company's committed discount target on a rolling 12 month basis. The average discount for the year was 10.5% (2024: 12.9%).
Ongoing charges	The Board monitors the Company's ongoing charges ratio ("OCR") against prior years and other similar sized companies in the peer group. The OCR for the year ended 30 June 2025 was 0.85% (2024: 0.92%).

Principal and Emerging Risks and Uncertainties

The Board carries out a regular review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also considers emerging risks which might affect the Company.

During the year, the most significant risks included widening discounts to net asset value across the investment company sector, increased corporate activity and consolidation, and heightened involvement by activist investors. Consequently, in accordance with its stated discount control policy, the Company has bought back an increased number of its own Ordinary shares to control the share price discount to net asset value. Other significant risks during the year included the impact of increased taxes on the UK economy, the impact on the global economy of US trade tariffs, and increased market risk caused by general uncertainty in global geopolitics.

There are a number of other risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the Company's principal and emerging risks, which include those that would threaten its business model, future performance, solvency, liquidity or reputation.

The principal risks and uncertainties faced by the Company are reviewed by the Audit Committee in the form of a risk matrix and the Committee also gives consideration to the emerging risks facing the Company.

In terms of its appetite for risk, the Board has identified what it considers to be the key risks to which the Company is exposed and seeks to take a proportionate approach to the control of these risks. In particular, by considering the likelihood and impact of a specific risk, if the potential exposure is rated as Critical or Significant, the Board ensures that significant mitigation is in place to reduce the likelihood of occurrence whilst recognising that this may not be possible in all cases.

The principal risks and uncertainties facing the Company at the current time, together with a description of the mitigating actions the Board has taken, are set out in the table below.

The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet and they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

Risk		Mitigating Action
Strategy - the Company's objectives or the investment trust sector as a whole become unattractive to investors, or the Company becomes uncompetitive (including its size and costs), leading to a fall in demand for the Company's shares.	Note 1	Through regular updates from the Manager, the Board monitors the discount/ premium at which the Company's shares trade relative to the NAV (further information included in "Share price" below) . It also holds an annual strategy meeting and receives feedback from the Company's Stockbroker and shareholders and updates from the Manager's investor relations team at Board meetings.
Investment performance - the appointment or continuing appointment of an investment manager with inadequate resources, skills or experience, the investment style or process being out of favour, or the adoption of inappropriate strategies in pursuit of the Company's objectives, could result in poor investment performance, a loss of value for shareholders and a widening discount.		The Board meets the Manager on a regular basis and keeps investment performance under close review. Representatives of the Investment Manager attend all Board meetings and a detailed formal appraisal of the Manager is carried out by the Management Engagement Committee on an annual basis. The Board sets and monitors the investment restrictions and guidelines and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process, risk management and application of the investment guidelines.
Staff turnover - the unmanaged departure of key members of the investment team or		The Board receives updates from the Manager on staff changes and succession planning within the investment team

key members of the investment team or increased staff turnover within the team could impact on future investment performance and lead to loss of investor confidence.		succession planning within the investment team. The Investment Manager employs a standardised investment process for the management of the portfolio. The well-resourced smaller companies team has grown in size over a number of years. These factors mitigate against the impact of the departure of any one member of the investment team.
Share price - failure to manage the discount effectively or an inappropriate marketing strategy could lead to a fall in the share price relative to the NAV per share.		The Company operates a discount control mechanism and aims to maintain a discount level of less than 8% to the cum-income NAV under normal market conditions. The Directors undertake a programme of inviting major shareholders to discuss issues of governance or strategy with the Chair or Senior Independent Director. In addition, the Company participates in the Manager's investment trust promotional programme where the Manager has an annual programme of meetings with institutional shareholders and reports back to the Board on these meetings.
Financial instruments - insufficient oversight or controls over financial risks, including market price risk, liquidity risk and credit risk could result in losses to the Company.		As stated above, the Board sets investment guidelines and restrictions which are reviewed regularly and the Manager reports on compliance with them at Board meetings. Further details of the Company's financial instruments and risk management are included in note 16 to the financial statements.
Financial obligations - inadequate controls over financial record keeping and forecasting, the setting of an inappropriate gearing strategy or the breaching of loan covenants could result in the Company being unable to meet its financial obligations, losses to the Company and impact its ability to continue trading as a going concern.		At each Board meeting, the Board reviews management accounts and receives a report from the Administrator, detailing any breaches in the internal controls during the period under review. The Board sets gearing limits and monitors the level of gearing and compliance with the main financial covenants at Board meetings. The Audit Committee meets representatives from the Manager's Compliance and Internal Audit teams on at least an annual basis and discusses any findings and recommendations relevant to the Company.
Regulatory - failure to comply with relevant laws and regulations could result in fines, loss of reputation and potential loss of investment trust status.		The Board receives updates on relevant changes in regulation from the Manager, industry bodies and external advisers. The Board and Audit Committee monitor compliance with regulations by review of checklists and internal control reports from the Manager. Directors keep up to date in a variety of ways, including attendance at training courses and seminars.
Operational - the Company is dependent on third parties for the provision of all systems and services (in particular those of the Manager and the Depositary) and any control failures and gaps in their systems and services, including failures in cyber controls, could result in a loss or damage to the Company.	Note 2	The Audit Committee reviews reports from the Manager on its internal controls and risk management (including an annual ISAE Report) and considers assurances from all its other significant service providers on at least an annual basis, including on matters relating to business continuity and cyber security. Written agreements are in place with all third party service providers. The Audit Committee meets representatives from the Manager's Compliance and Internal Audit teams on at least an annual basis and discusses any findings and recommendations relevant to the Company. The Manager monitors closely the control environments and quality of services provided by third parties, including cyber controls, through service level agreements, regular meetings and key performance indicators, and provides periodic updates to the Board on this work. A formal appraisal of the Company's main third party service providers is carried out by the Management Engagement Committee on an annual basis.
Geopolitical - the effects of geopolitical instability or change could have an adverse impact on stock markets and the value of the Company's investment portfolio.	Note 3	Current geopolitical risks include the conflicts in Ukraine and the Middle East, and the impact on the global economy of US trade tariffs. They also include the potential impact on investors and the economy of further tax increases in the UK. The Investment Manager's focus on quality companies, the diversified nature of the portfolio and a managed level of gearing all serve to provide a degree of protection in times of market volatility.

Notes:

1. Strategy risk is heightened due to the volume of share buy backs undertaken by the Company to control the share price discount to NAV, and the recent increase in corporate activity and consolidation within the investment trust sector.

2. Operational risk is heightened due to the increased risk of cyber security incidents within the Company's main service providers, following cyber attacks against high profile businesses in the UK.

3. Geopolitical risk is heightened due to the increased volatility of the global political landscape which feeds into market volatility.

Promotional Activities

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the rating of the Company's shares. The Board believes one effective way to achieve this is through subscription to, and participation in, the promotional programme run by the Manager on behalf of a number of investment trusts under its management. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. The Manager's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the promotional and investor relations programmes is both to communicate effectively with existing shareholders and to gain new shareholders, with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key. The promotional programme includes commissioning independent paid for research on the Company, most recently from Edison Investment Research Limited. A copy of the latest research note is available from the Company's website.

The cost to the Company of participating in these programmes is matched by the Manager through the provision of the necessary resources to carry out the marketing and promotional activities.

Employees and Human Rights

The Company has no employees as the Board has delegated the day to day management and administrative functions to the Manager. There are therefore no disclosures to be made in respect of employees or human rights.

Modern Slavery Act

Due to the nature of its business, being a company that does not offer goods and services to customers, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

The UK Stewardship Code and Proxy Voting

The Company supports the UK Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. Aberdeen Group plc is a signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues. Further details can be obtained on the Manager's website.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Task Force for Climate-Related financial Disclosures ("TCFD")

Under Listing Rule 11.4.22(R), the Company, as a closed ended investment company, is exempt from complying with the Task Force on Climate-related Financial Disclosures ("TCFD").

Sustainability Disclosure Requirements ("SDR")

In November 2023, the Financial Conduct Authority ("FCA") published its sustainability disclosure requirements and investment labels regime ("SDR") to address concerns about misleading sustainability claims. SDR includes an opt-in labelling regime for sustainable investment products, additional disclosure requirements and restrictions on the use of sustainability terms. It also established anti-greenwashing ("AGW") rules. Investment trusts and their managers are in scope of the SDR. Although investment trusts are not directly in scope of the AGW requirements, the rules apply indirectly to them, mostly via obligations imposed on their managers.

Although Environmental, Social and Governance ("ESG") factors are taken into consideration by the Investment Manager as part of its investment analysis, the Company itself does not have an explicit sustainability objective and so under SDR is categorised as "Non-labelled" rather than "Labelled" or "Other".

Discount Control Policy

The Board operates a discount control mechanism which targets a maximum discount of the share price to the cum-income net asset value of 8% under normal market conditions. In pursuit of this objective, the Board closely monitors the level of the discount and buys back shares in the market when it believes it is in the best interests of shareholders as a whole to do so. At each Annual General Meeting, the Board seeks shareholder approval to buy back up to 14.99% of the Company's share capital. Share buy-backs will only be made where the Board believes it to be in the best interests of shareholders as a whole and the making and timing of share buy-backs will be at the discretion of the Board.

The Company has a tender offer mechanism in place and the Board intends to continue to seek shareholder approval at each Annual General Meeting to enable it to carry out tender offers on a discretionary basis in circumstances where the Board believes that share buy-backs are not sufficient to maintain the discount at an appropriate level, although it expects that buy-backs should be the primary mechanism for managing the discount.

Viability Statement

The Board considers that the Company, which does not have a fixed life, is a long-term investment vehicle and, for the purposes of this statement, has decided that five years is an appropriate period over which to consider its viability. The Board considers that this period reflects a balance between looking out over a long-term horizon and the inherent uncertainties of looking out further than five years.

Taking into account the Company's current financial position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Report.

In assessing the viability of the Company over the review period, the Directors have focused upon the following factors:

- The principal risks and uncertainties detailed in above and the steps taken to mitigate these risks, together with the emerging risks identified by the Board.
- The Company is invested in listed securities that are readily-realisable in normal market conditions and there is a spread of investments held across a diversified range of sectors.
- The Company is closed ended in nature and therefore it is not required to sell investments when shareholders wish to sell their shares.
- The level of share buy backs undertaken by the Company.
- The Company's long-term performance record.
- The Company's level of gearing. The Company had net gearing of 6.6% as at 30 June 2025. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. During the year, the Company had a £40 million unsecured loan facility agreement with The Royal Bank of Scotland International Limited which was due to expire on 1 November 2025. As explained in greater detail in the Chair's

Statement, since the year end, the Company has replaced the loan facility with a new £40 million secured facility with Bank of America.

- The Company has cash and money market funds which at 30 June 2025 amounted to £16.2 million. These balances allow the Company to meet liabilities as they fall due.
- The level of ongoing charges.
- There are no capital commitments currently foreseen that would alter the Board's view.
- The robustness of the operations of the Company's third party service suppliers.

The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 30 June 2025 which shows net current liabilities of £24.6 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short-term liabilities if required.

In assessing the Company's future viability, the Board has assumed that shareholders will wish to continue to have exposure to the Company's activities in the form of a closed ended entity and the Company will continue to have access to sufficient capital.

In making its assessment, the Board is also aware that there are other matters that could have an impact on the Company's prospects or viability in the future, including ongoing consolidation within the investment trust sector, further geo-political volatility, economic shocks or significant stock market volatility caused by other factors, and changes in regulation or investor sentiment.

Future Strategy

The Board intends to maintain the strategic direction set out in the Strategic Report for the year ending 30 June 2026 as it believes that this is in the best interests of shareholders.

On behalf of the Board
Liz Airey
Chair
3 September2025

Promoting the Success of the Company

Introduction

Section 172 (1) of the Companies Act 2006 (the "Act") requires each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under that provision of the Act (the "Section 172 Statement"). This statement provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account, among other things, the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Purpose of the Company and Role of the Board

The purpose of the Company is to act as an investment vehicle to provide, over time, financial returns (both income and capital) to its shareholders. Investment trusts, such as the Company, are long-term investment vehicles and are typically externally managed, have no employees, and are overseen by an independent non-executive board of directors.

The Board, which at the end of the year, comprised five independent non-executive Directors with a broad range of skills and experience across all major functions that affect the Company, retains responsibility for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager and Investment Manager operate at its meetings and receives regular reporting and feedback from the other key service providers. The Board is very conscious of the ways it promotes the Company's culture and ensures as part of its regular oversight that the integrity of the Company's affairs is foremost in the way that the activities are managed and promoted. The Board works very closely with the Manager and Investment Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

The Company's main stakeholders have been identified as its shareholders, the Manager (and Investment Manager), service providers, investee companies, debt providers and, more broadly, the environment and community at large.

How the Board Engages with Stakeholders

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

Stakeholder	How We Engage
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly to all shareholders. The Manager and Company's Stockbroker regularly meet with current and prospective shareholders to discuss performance and shareholder feedback is discussed by the Directors at Board meetings. Directors meet shareholders at the Annual General Meeting and the Chair is available to meet with the Company's larger shareholders to discuss their views. In addition, during the year the Board held an online shareholder presentation at which shareholders had the opportunity to ask questions of the Chair and Investment Manager. The Company participates in the Manager's investor relations programme as a means of communicating with the shareholder base. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, monthly factsheets, Company announcements, including daily net asset value announcements, and the Company's website. The Company's Annual General Meeting provides a forum, both formal and informal, for

	shareholders to meet and discuss issues with the Directors and Manager. The Board encourages shareholders to attend the Company's Annual General Meeting and to provide feedback on the Company.
Manager (and Investment Manager)	The Investment Manager's Review details the key investment decisions taken during the year. The Investment Manager has continued to manage the portfolio and other assets in accordance with the mandate agreed with the Company, with oversight provided by the Board. The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review meeting to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board, through the Management Engagement Committee, formally reviews the performance of the Manager (and Investment Manager) at least annually.
Service Providers	The Board seeks to maintain constructive relationships with the Company's service providers either directly or through the Manager with regular communications and meetings. The Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations, carrying out their responsibilities and providing value for money.
Investee Companies	Responsibility for monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues. Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability. The Board monitors investments made and divested and provides constructive challenge to understand the rationale for investment and voting decisions made.
Debt Providers	On behalf of the Company, the Manager maintains a positive working relationship with the provider of the Company's loan facility, and provides regular updates on business activity and compliance with its loan covenants.
Environment and Community	The Board and Investment Manager are committed to investing in a responsible manner and the Investment Manager considers Environmental, Social and Governance ("ESG") factors as part of the investment decision-making process.

Specific Examples of Stakeholder Consideration During the Year

The importance of giving due consideration to the Company's stakeholders is considered during every significant Board decision. The Directors were particularly mindful of stakeholder considerations as part of the following decisions made during the year ended 30 June 2025. Each of these decisions was made after taking into account the short and long-term benefits for stakeholders.

Portfolio and Investment Performance

The Investment Manager's Review details the key investment decisions taken during the year. The overall shape and structure of the investment portfolio is an important factor in delivering the Company's stated investment objective and is reviewed at every Board meeting.

During the year, through the Management Engagement Committee, the Board decided that the continuing appointment of the Manager is in the best interests of shareholders.

Management Fee

During the year, the Board considered that the existing structure of fees paid to the Manager made the Company insufficiently competitive relative to its closest peers. Accordingly, the Board negotiated a lower fee structure with the Manager which the Board considers is more competitive when compared to the other similar investment trusts in the sector. The new fee structure became effective on 1 April 2025.

Dividends

The Board is recommending payment of a final dividend for the year of 9.50p per Ordinary share. Following payment of the final dividend, total dividends for the year will amount to 13.20p per Ordinary share, an increase of 10.0% compared to the previous year. Although the Company has a capital growth objective, the Board recognises the importance of dividends to shareholders.

Share Buy Backs and Renewal of Authority at General Meeting

In accordance with the discount control policy, during the year the Company bought back 12,486,822 Ordinary shares to be held in treasury, providing an accretion to the NAV per share and a degree of liquidity to the market at times when the discount to the NAV per share has widened in normal market conditions.

At the Company's AGM held on 21 November 2024, shareholders gave authority to the Directors to buyback a total of 11,051,664 Ordinary shares representing 14.99% of the then issued share capital. As at 22 April 2025, the Company had bought back 6,868,574 Ordinary shares and therefore the authority granted at the AGM in 2024 had been substantially utilised. The Directors concluded that the remaining capacity under the authority was likely to have been fully utilised before the Company's next AGM, in 2025, if the purchases of shares were to continue at the same rate.

In order for the Board to continue to operate the discount control mechanism, the Directors therefore sought, and obtained, approval from shareholders, at a General Meeting of the Company held on 21 May 2025, to renew the Company's authority to buy back Ordinary Shares, with such renewed authority expiring at the conclusion of the AGM in 2025.

It is the view of the Board that the discount control policy and use of the Company's share buy back authority to provide liquidity to the market in the manner described above is in the interest of all shareholders.

Cancellation of Share Premium Account

Following shareholder approval at the General Meeting on 21 May 2025, the Company received court approval, by way of a court order dated 15 August 2025, for cancellation of the amount standing to the credit of the Share Premium Account. The court order was registered at Companies House on 20 August 2025 at which point cancellation of the entire amount standing to the credit of the Share Premium Account, being approximately £170 million, became effective. That amount has been credited to a special distributable reserve which is available to fund the cost of share buy backs and future dividend payments, if required.

The Board believes that it is in the Company's interest to have this flexibility in its reserves, although the Board has no current intention of using the new reserve for dividend payments which it expects will continue to be resourced through annual net revenues and revenue reserves.

Shareholder Engagement

During the year, the Board met shareholders at the AGM. The AGM was held in Edinburgh in 2024 and will be held in London this year.

As explained in the Chair's Statement, to encourage and promote interaction and engagement with the Company's shareholders, the Board has decided to hold an interactive Online Shareholder Presentation which will be held at 11.00am on 22 October 2025. At the presentation, shareholders will receive updates from the Chair and Investment Manager and there will be a live question and answer session. The online presentation is being held ahead of the AGM in order to allow shareholders to submit their proxy votes prior to the meeting.

The Board considers that it is important to maintain an ongoing dialogue with shareholders to properly understand their views and to communicate the actions of the Board.

On behalf of the Board
Liz Airey
Chair
3 September 2025

Performance

Performance (total return)

	1 year return %	3 years return %	5 years return %	10 years return %
Net asset value[A][B]	+6.8	+16.8	+20.5	+103.6
Share price[B]	+11.4	+25.6	+21.1	+111.4
Reference Index[C]	+7.8	+15.2	+42.1	+53.9
Peer Group weighted average (NAV)	+2.7	+22.0	+51.1	+77.1
Peer Group weighted average (share price)	+3.3	+25.5	+49.1	+79.8

[A] Cum-income NAV with debt at fair value.

[B] Considered to be an Alternative Performance Measure.

[C] Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index.
Source: Morningstar

Ten Year Financial Record

Year to 30 June	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Per Ordinary share (p)										
Net revenue return	6.76	6.42	7.24	8.80	6.74	6.43	9.07	12.44	13.12	13.52
Ordinary dividends paid/proposed	6.60	6.70	7.00	7.70	7.70	7.70	8.10	11.00	12.00	13.20
Net asset value[A]	345.43	456.60	552.93	539.54	527.73	737.97	530.37	482.95	556.19	581.37
Share price	316.00	431.00	500.00	491.50	482.00	698.00	453.00	414.00	486.50	529.00
Discount(%)[A]	8.5	5.6	9.6	8.9	8.7	5.4	14.6	14.3	12.5	9.0
Ongoing charges ratio (%)[B]	1.13	1.08	1.04	0.90	0.91	0.88	0.82	0.95	0.92	0.85
Gearing ratio (%)[C]	3.6	1.7	3.6	1.5	(0.3)	5.7	5.1	2.5	5.8	6.6
Shareholders' funds (£m)[D]	241	324	408	543	528	728	499	427	413	359
Revenue reserves (£m)[E]	6.50	6.26	8.30	10.87	8.80	7.53	8.81	12.47	13.53	14.43

[A] Calculated with debt at par value and diluted for the effect of Convertible Unsecured Loan Stock conversion from 1 July 2015 until 30 June 2017. From 30 June 2018, net asset value is calculated with debt at par value.

[B] Calculated as an average of shareholders' funds throughout the year and in accordance with updated AIC guidance issued in October 2020, to include the Company's share of costs of holdings in investment companies on a look-through basis.

[C] Net gearing ratio calculated as debt less cash invested in AAA-rated money market funds and short-term deposits divided by net assets at the year end.

[D] Increase in 2018 included the effect of the merger with Dunedin Smaller Companies Investment Trust PLC.

[E] Revenue reserves are reported prior to paying the final dividend for the year.

Investment Manager's Review

The net asset value ("NAV") total return of the Company for the year ended 30 June 2025 was 6.8%, while the share price

The net asset value ("NAV") total return of the Company for the year ended 30 June 2025 was 6.8%, while the share price total return was 11.4%. By comparison, the UK smaller companies sector as represented by the Deutsche Numis Smaller Companies plus AIM (ex investment companies) Index (the "reference index") delivered a total return of 7.8%.

Equity Markets

The year under review was a positive period for the UK smaller companies market, but a challenging and volatile one from a macro economic perspective. The final quarter of the period was a turning point as smaller companies outperformed their larger counterparts.

The returns from large and mid cap indices were similar, with the FTSE 100 Index generating a total return of 11.3%, while the FTSE 250 Index returned 10.2%. The reference index returned 7.8% over the year, but was hampered by the AIM component, with the FTSE AIM Index returning just 2.8%, behind the reference index return. This consistency of returns hides the outperformance of smaller companies compared to larger companies since President Trump's 'Liberation Day' - between 4 April 2025 and 30 June 2025, the reference index returned 20% while the FTSE 100 Index returned 10%. The AIM market also performed better in the second half of the period, keeping up with other indices, and actually outperforming the reference index.

Positive dynamics played out for the UK smaller companies market in the second half of the year; whilst the fundamental investment case of the UK was already well set, we have seen US market returns declining since the turn of the calendar year. This has triggered investors to reassess their current exposures, with a shift out of US equities in the first half of 2025.

At the same time, whilst not perfect, the UK economic and political situation has looked more supportive for markets, and solid compared to many other major markets globally. Inflation has come down, interest rates look to be on a declining pathway, GDP forecasts have been steady, employment is robust, and Sterling has been strong, particularly against the US Dollar. Whilst there are still political challenges ahead , this backdrop of a more settled economic environment comes at a time when UK equity market valuations are low, attracting investor interest.

The period globally was dominated by geopolitical volatility, with President Trump at the centre of most of the news flow. Trade tariff outcomes continue to roll out, bringing uncertainty to markets.

The period since April, where smaller companies have significantly outperformed larger companies in the UK, has been partially driven by a period of more positive UK domestic focus by investors. The smaller companies sector is more domestically focused in terms of revenue; around 56% of the reference index revenue is UK generated; significantly higher than FTSE 100 Index.

Geopolitical uncertainty beyond Trump's tariffs also continues, with the conflict in Ukraine and, more recently, Iran, Israel and Gaza. As well as making UK markets look more insulated from those areas of uncertainty, this has also driven countries to re-appraise their resilience in terms of defence, energy and security. Defence spending is expected to increase and has driven share prices higher in that sector.

The UK equity market continues to shrink by number of market constituents, with many bids during the year from both private equity and trade peers (both listed and private). IPO levels have remained very low, although there are signs of activity picking up. This backdrop is one of which the government is aware but it has so far done little to stimulate UK markets, either by attracting investors to the asset class or companies to list here. The awareness is high across markets that some stimulus on these points would be very helpful for UK equity markets.

Performance

The NAV total return for the year of 6.8% compared to the reference index total return of 7.8%, a modest underperformance of 1.0%. Having outperformed by 1.1% in the first half of the year, the second half of the year was a more challenging period, with value stocks in the UK performing well, which is challenging for our process.

The five leading contributors to relative performance against the reference index during the year were as follows:

Morgan Sindall has delivered strong share price performance, driven by robust trading and strategic execution across its diversified divisions. Revenues and margins have exceeded expectations, prompting multiple profit upgrades. The Fit-Out division has driven performance, benefiting from operational strength and a favourable market. Morgan Sindall's diversified structure allows it to flex capital across divisions, supporting resilience and long-term growth. Consistent delivery with a confident outlook has boosted investor confidence. (Relative contribution +195bps, share price +80.4%)

Games Workshop has seen strong share price performance due to solid trading and strategic progress. A key catalyst is its partnership with Amazon to stream Warhammer 40K, expanding brand reach and revenue. Growth in subscriptions and digital engagement is reinforcing brand loyalty and recurring income. The company is expanding globally through retail and trade channels, increasing store numbers and trade accounts. Online, it launched a new Warhammer.com store and invested in warehouse automation in the US, UK, and Australia. Overall, Games Workshop remains a high-conviction investment with strong brand equity and a clear strategy to monetise its IP across multiple platforms. (Relative contribution +98bps, share price +52.0%)

XPS Pensions has delivered strong share price performance, driven by consistent double-digit revenue growth and effective strategic execution. Key contributors include high demand for risk transfer services, GMP equalisation, and regulatory advisory work. The firm's standout delivery on the McCloud remedy project has enhanced its public sector reputation. XPS is gaining market share through a favourable service mix and operational efficiency. The integration of the Polaris acquisition progressed well and is seen as a valuable growth opportunity. Overall, the business is well-positioned to lead in the insurance consulting market. (Relative contribution +93bps, share price +28.3%)

Jet2's share price has been boosted by strong financial performance and a solid operational outlook. A key driver of investor confidence is a £250 million share buyback programme, representing 9% of its market capitalisation. The company also announced increased seat capacity for summer 2025, including new bases at Bournemouth and Luton. Despite the trend of later booking patterns, demand remains strong. (Relative contribution +73bps, share price +40.9%)

Alpha Group closed 2024 on a strong note and entered 2025 with confidence. The appointment of a new CEO in January signalled a commitment to continuity, reassuring investors that 'strategically, little needs to be changed.' This stance helped sustain positive trading momentum. In May, the company received a takeover approach from US-based cross-border payments firm Corpay, which significantly boosted its share price. (Relative contribution +65bps, share price +40.9%)

The five weakest contributors to relative performance against the reference index during the year were as follows:

Ashtead Technology has detracted from performance despite delivering solid financial results and maintaining a confident outlook. While the results were strong, the lack of immediate upgrades may have disappointed investors hoping for more ambitious guidance. Broader concerns around the macroeconomic environment and oil price volatility have also contributed to investor caution, despite the company's robust fundamentals. Additionally, the shares have been affected by general weakness across the AIM market. Sentiment has been further weighed down by a technical overhang linked to the company's planned move to the Main Market later this year. (Relative contribution -158bps, share price -43.5%)

Next15's share price fell following the announcement that a major client would not renew its contract with the company's venture-building division, Mach49. This contract loss is expected to reduce FY26 revenue by £80 million. The company also cited broader macroeconomic pressures, including reduced spending from technology and public sector clients, which contributed to a profit warning for FY25. Management has initiated a restructuring programme, merging smaller UK operations and reassessing its M&A strategy. A new finance director with turnaround expertise has been appointed, and the search for a new chief executive officer is now underway. (Relative contribution -94bps, share price -69.8%)

new chief executive officer is now underway. (Relative contribution -94bps, share price -39.8%)

Hunting's shares underperformed despite the company delivering strong operational results and securing notable contract wins. Although the share price increased, it has experienced periods of weakness, largely driven by concerns around US tariffs, broader macroeconomic uncertainty, and oil price volatility. Brent crude has seen sharp declines at times due to geopolitical tensions and oversupply fears, raising questions about the sustainability of demand for Hunting's core OCTG (oil country tubular goods) and subsea products. Nevertheless, the company has continued to make solid financial and strategic progress, underlined by the announcement of a 40 million share buyback in early July. (Relative contribution -81bps, share price -27.2%)

4imprint has been notably impacted by US tariffs. While the direct effects of the tariffs remain manageable, the more significant concern lies in the secondary impacts - such as the risk of a US recession or a decline in discretionary spending - which could pose a greater threat to the company's business model. The company has also highlighted potential margin pressure and ongoing demand uncertainty. (Relative contribution -70bps, share price -37.5%)

Gamma Communications' shares came under pressure due to a softer trading environment in the UK SME sector, although this was partially offset by strong performance in Germany. Additionally, the company's transition from AIM to the Main Market prompted technical selling, particularly from funds sensitive to changes to the Inheritance Tax rules, contributing to short term share price volatility. (Relative contribution -58bps, share price -19.3%)

Portfolio Activity

Our research continues to generate a strong pipeline of ideas, and there is healthy competition for capital within the portfolio. Over the year, we added 13 new positions and exited 11 holdings. We took part in one IPO, Applied Nutrition.

Applied Nutrition is a Liverpool-based and founder-run sports health business formulating, manufacturing and supplying nutritional supplements. The company's growth is primarily fuelled by its strong product differentiation and effective marketing strategies. The business maintains high margins through vertical integration, which also allows it to react quickly to market demands and innovate rapidly. Its marketing spend is relatively low compared to peers, but it leverages free marketing through partnerships and sponsorships. The company has proved it can stay relevant and continuously innovate. This has been a significant driver of growth. Its products are for sale in multiple countries globally, and its continued expansion into new regions, strength of distributor relationships, and securing shelf space in major retailers as well as specialist nutritional stores are all expected to contribute to its growth.

Other new additions included;

Avon Technologies is a defence business, with a focus on respirators and helmets. Whilst end market demand is improving with countries across Europe committing to higher defence budgets, Avon also has the drivers of operational improvement under a new and impressive management team.

Bloomsbury Publishing is a leading independent publishing house of a wide range of book types as well as academic publishing. It has a strong track record of identifying and supporting new and leading authors, as well as benefitting from continued sales of back catalogue. Some of its best-known titles include the Harry Potter series and Sarah J. Mass. ME Group is an operator of vending services, with a focus on photo machines and communal laundry facilities. Its key regions of operation are France and the UK, but it is also present in other European countries. The photo booths business is high return and generates strong cash flows which fund the rollout of capacity in the newer growth area of laundry.

Savills is a leading global real estate business, with residential and commercial exposure, whilst Rotork is a global leader in mission critical intelligent flow controls, including actuators. Rotork sells into various end markets including oil and gas, water and power. On the Beach is a UK-based online travel agency, with a focus on outbound package holidays, offering consumers a broad range of packages across destinations and airlines. New areas of growth are expected to come from city breaks and outbound Irish business following the company's partnership with Ryanair.

Breedon is a vertically-integrated construction materials business, operating in the UK, Ireland and the US. It has grown through organic and acquisitive activities, and the US is its newest geographic exposure. Galliford Try is a one of the UK's leading construction groups, operating across a number of sectors such as education, defence, health, custodial and infrastructure. Wickes is a UK home improvement retailer, serving both trade and DIY audiences, as well as operating a strong kitchen and bathrooms sales division. Bellway is a UK housebuilder, where we expect to see end markets improving over the coming years as mortgage affordability and availability improve, and volumes and transactions increase.

Trustpilot is a review business, creating an ecosystem for consumers and companies to benefit from open market reviews, as well as for companies to have insightful data and analysis on their customers' experiences. The UK is a large market for the company with its market presence helping create a flywheel effect, with the US its target growth area. Alfa is a global leading software provider to the asset finance industry, including auto, equipment and wholesale finance businesses.

We exited the following holdings across the portfolio; 4imprint is a US promotion products business, where challenges around tariffs, GDP risks, and lack of new customer growth all caused concerns. Clarkson, the global ship broker, was also exited on similar concerns about indirect tariff risks, risks of weaker shipping rates, and possible delays in big decision-making capital expenditure by customers. Liontrust Asset Management is a UK asset manager, where outflows have continued to be challenging. YouGov, the international market research business, has suffered from reduced discretionary spend by enterprise clients, increasing competition from peers, and poor execution from both past and current management teams. Robert Walters, the recruitment company, has continued to suffer from tough recruitment markets, with companies far from being on hiring sprees, and employees more reluctant to move jobs given uncertain environments and smaller wage increase potential compared to recent years. Treatt has continued to suffer from slower demand and de-stocking, and we are cautious of the level of management turnover. Midwich and Ricardo also experienced slower growth. Marlowe was impacted by a reduction in discretionary spending, uncomfortable for what was tabled as a resilient, recurring, demand business. Big Technologies went through a series of disappointing outcomes on competitive tenders, as well as suffering an ongoing (and since exit, increasingly complicated) legal case. Alpha Financial Markets, the consultant to asset management and insurance industries, was acquired by Bridgepoint, and hence we exited that holding.

Notable additions to positions this year included Hunting (where international growth opportunities have emerged strongly), Telecom Plus, Premier Foods and Johnson Service (all of which have notable defensive revenue streams); whilst notable reductions included Diploma and Games Workshop (where both companies are now constituents of the FTSE 100 Index given their strong performance and therefore no longer part of the smaller company universe), discoverIE (where de-stocking cycles and lower demand have been elongated), Hill & Smith, and Hilton Food.

Gearing

The level of gearing (net of cash) at 30 June 2025 was 6.6% (2024: 5.8%). Given our positive view on markets, we continued to be fully drawn on the Company's £40 million flexible revolving credit facility.

Revenue Account

Dividend income generated by the portfolio (excluding capital receipts) stated on a pence per share basis increased by 3.0% to 13.52p per share.

The dividend outlook for the Company, seen through its income generation from the underlying holdings, remains solid. The Revenue Account has benefitted from underlying growth and resilience of earnings. The balance sheet strength and cash generation of the companies in the portfolio has enabled them to invest in growth and return excess cash flow and capital to shareholders through dividends. We have seen a trend towards share buybacks in the market, as opposed to special dividends but, despite this, the Company received special dividends from 4imprint, Alfa, Bytes Technology and Savills during the year, totalling £531,000 of income, approximately 5% of investment income.

totalling £531,000 of income, approximately 5% of investment income.

Outlook

UK equity markets remain attractively valued, particularly among smaller companies. Valuations are low by both historical and international standards, and UK equities continue to be under-owned globally. This presents a compelling opportunity for renewed investor interest, especially as economic data has shown resilience despite a fragile fiscal backdrop. It is important to recognise that the UK equity market is not the UK economy. Many UK listed companies are global in nature, delivering growth across diverse geographies and sectors. Our process identifies companies with strong fundamentals, resilient earnings, and capable management teams, regardless of the broader economic narrative.

While further interest rate cuts are anticipated, they are not guaranteed, and in this environment valuation discipline is important. Meeting and beating expectations remains a key driver of share price performance, with reporting results continuing to prompt sharp moves in both directions. The Matrix continues to guide our portfolio construction, helping us identify companies exhibiting improving Quality, Growth, and Momentum ("QGM") characteristics. It remains a valuable tool through the cycle, showing us companies with earnings momentum. While IPO activity has been limited, we do not feel constrained for investment ideas. We believe we are still in the early stages of recovery for smaller companies, with further upside potential. The current environment is one marked by improving sentiment towards UK investments as demonstrated by the outperformance of smaller companies over large companies in recent months. The market continues to demonstrate attractive valuations and we remain optimistic about the outlook for UK smaller companies. The macroeconomic environment, whilst still with challenges, appears more compelling than when we wrote a year ago, and when combined with our disciplined investment process positions us well to capture the opportunities ahead.

Abby Glennie and Amanda Yeaman
Aberdeen
3 September 2025

Investment Portfolio

As at 30 June 2025

Company	Sector	Valuation 2025 £'000	Total portfolio %	Valuation 2024 £'000
Morgan Sindall	Construction and Materials	17,454	4.5	15,099
Paragon Banking	Finance and Credit Services	14,832	3.9	14,351
Cranswick	Food Producers	14,033	3.7	15,887
XPS Pensions	Investment Banking and Brokerage Services	13,723	3.6	16,383
ME Group	Leisure Goods	12,780	3.3	-
Volution	Construction and Materials	11,990	3.1	10,924
Avon Technologies	Aerospace and Defense	11,829	3.1	-
Jet2	Travel and Leisure	11,670	3.0	10,091
Mortgage Advice Bureau	Finance and Credit Services	11,538	3.0	10,192
Alpha Group	Investment Banking and Brokerage Services	11,235	2.9	8,076
Top ten investments		131,084	34.1	
Cairn Homes	Household Goods and Home Construction	11,073	2.9	6,819
Premier Foods	Food Producers	10,176	2.7	6,982
Telecom Plus	Telecommunications Service Providers	9,496	2.5	6,724
Sirius Real Estate	Real Estate Investment Trusts	9,207	2.4	10,837
Johnson Service	Industrial Support Services	8,756	2.3	7,986
Tatton Asset Management	Investment Banking and Brokerage Services	8,538	2.2	9,232
Trustpilot	Software and Computer Services	8,531	2.2	-
AJ Bell	Investment Banking and Brokerage Services	8,444	2.2	11,361
Games Workshop	Leisure Goods	8,431	2.2	9,265
Bellway	Household Goods and Home Construction	7,989	2.1	-
Top twenty investments		221,725	57.8	
Chemring	Aerospace and Defense	7,981	2.1	6,145
Ashtead Technology	Oil, Gas and Coal	7,789	2.0	15,008
Gamma Communications	Telecommunications Service Providers	7,652	2.0	11,531
Hunting	Oil, Gas and Coal	7,486	2.0	8,691
Diploma	Industrial Support Services	7,481	1.9	17,512
CVS	Consumer Services	7,377	1.9	6,391
Hilton Food	Food Producers	7,297	1.9	15,191
Hill & Smith	Industrial Metals and Mining	6,976	1.8	17,190
JTC	Investment Banking and Brokerage Services	6,831	1.8	17,057
Breedon	Construction and Materials	6,706	1.7	-
Top thirty investments		295,301	76.9	
Craneware	Health Care Providers	6,431	1.7	7,466
Coats	General Industrials	6,122	1.6	8,487
Boku	Industrial Support Services	5,645	1.5	5,200
Volex	Electronic and Electrical Equipment	5,513	1.4	4,988

Hollywood Bowl	Travel and Leisure	5,391	1.4	11,242
Alfa	Software and Computer Services	5,344	1.4	-
Savills	Real Estate Investment and Services	5,081	1.3	-
Bytes Technology	Software and Computer Services	4,933	1.3	13,211
discoverIE	Electronic and Electrical Equipment	4,597	1.2	7,791
Bloomsbury Publishing	Media	4,567	1.2	-
Top forty investments		348,925	90.9	
Applied Nutrition	Food Producers	4,244	1.1	-
Rotork	Oil, Gas and Coal	4,058	1.1	-
Auction Technology	Software and Computer Services	4,039	1.1	4,775
Renew Holdings	Construction and Materials	3,853	1.0	1,221
GlobalData	Media	3,745	1.0	10,286
Raspberry Pi	Technology Hardware and Equipment	3,149	0.8	3,610
LBG Media	Media	3,028	0.8	3,350
On the Beach	Travel and Leisure	2,856	0.7	-
Wickes	Retailers	2,484	0.6	-
Next 15	Media	2,112	0.6	6,424
Top fifty investments		382,493	99.7	
Galliford Try	Construction and Materials	1,336	0.3	-
Total portfolio		383,829	100.0	

All investments are equity investments.

Sector Distribution of Investments

As at 30 June 2025

	Portfolio weighting 2025 %	2024 %
Basic Materials	1.8	4.8
Chemicals	-	0.9
Industrial Metals and Mining	1.8	3.9
Consumer Discretionary	21.7	18.8
Consumer Services	1.9	1.5
Household Goods and Home Construction	5.0	1.6
Leisure Goods	5.5	2.1
Media	3.6	8.7
Retailers	0.6	-
Travel and Leisure	5.1	4.9
Consumer Staples	9.4	8.7
Food Producers	9.4	8.7
Energy	5.1	5.4
Oil, Gas and Coal	5.1	5.4
Financials	19.6	21.0
Finance and Credit Services	6.9	5.6
Investment Banking and Brokerage Services	12.7	15.4
Health Care	1.7	1.7
Health Care Providers	1.7	1.7
Industrials	25.7	27.1
Aerospace and Defense	5.2	1.4
Construction and Materials	10.6	7.1
Electronic and Electrical Equipment	2.6	2.9
General Industrials	1.6	1.9
Industrial Support Services	5.7	12.7
Industrial Transportation	-	1.1
Real Estate	3.7	2.5
Real Estate Investment and Services	1.3	-
Real Estate Investment Trusts	2.4	2.5
Technology	6.8	5.9
Software and Computer Services	6.0	5.1
Technology Hardware and Equipment	0.8	0.8
Telecommunications	4.5	4.1

Telecommunications Service Providers	4.5	4.1
Total	100.0	100.0

Directors' Report (extract)

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2025.

Results and Dividends

The financial statements for the year ended 30 June 2025 are contained below. An interim dividend of 3.70p per Ordinary share was paid on 18 April 2025 and the Directors recommend a final dividend of 9.50p per Ordinary share, payable on 28 November 2025 to shareholders on the register on 31 October 2025. The ex-dividend date is 30 October 2025.

Principal Activity and Status

The Company is registered as a public limited company in Scotland under company number SC145455, is an investment company within the meaning of Section 833 of the Companies Act 2006 and carries on business as an investment trust.

The Company has been accepted as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

Capital Structure and Voting Rights

The Company's issued share capital at 30 June 2025 consisted of 61,783,713 (2024: 74,270,535) Ordinary shares of 25 pence each and there were 42,380,709 (2024: 29,893,887) Ordinary shares held in treasury.

During the year, 12,486,822 Ordinary shares were bought back into treasury.

Since the year end, the Company has bought back a further 3,485,538 Ordinary shares into treasury. Accordingly, as at the date of this Report, the Company's issued share capital consisted of 58,298,175 Ordinary shares of 25 pence each and 45,866,247 Ordinary shares held in treasury.

Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Management Agreement

The Company has appointed abrdn Fund Managers Limited ("aFML"), a wholly owned subsidiary of Aberdeen Group plc, as its Alternative Investment Fund Manager (the "Manager"). aFML has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company. The Company's portfolio is managed by abrdn Investment Management Limited (the "Investment Manager") by way of a group delegation agreement in place between it and aFML. In addition, aFML has sub-delegated administrative and secretarial services to abrdn Holdings Limited and promotional activities to abrdn Investments Limited.

With effect from 1 July 2023, the management fee was calculated quarterly in arrears at a rate of 0.75% per annum on the first £175 million of the Company's net assets, 0.65% per annum on net assets above this threshold until £550 million, and 0.55% on net assets above this threshold.

With effect from 1 April 2025, the management fee is calculated at a rate of 0.60% per annum on the first £200 million of the Company's net assets and 0.55% on net assets above this threshold.

In addition, until 31 December 2023, the Manager received a secretarial and administration fee of £75,000 plus VAT.

The Manager also receives a separate fee for the provision of promotional activities to the Company. This fee amounted to £202,975 plus VAT for the year (2024: £207,500 plus VAT).

Further details of the fees payable to the Manager are shown in notes 4 and 5 to the financial statements.

The management agreement is terminable on not less than six months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Directors

At the year end, there were five independent non-executive Directors. Liz Airey is the Chair and Tim Scholefield is the Senior Independent Director.

All of the Directors will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Directors attended scheduled Board and Committee meetings during the year ended 30 June 2025 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination Committee Meetings
Liz Airey	4 (4)	- (-)[A]	1 (1)	1 (1)
Ashton Bradbury	4 (4)	2 (2)	1 (1)	1 (1)
Alexa Henderson	4 (4)	2 (2)	1 (1)	1 (1)
Manju Malhotra	4 (4)	2 (2)	1 (1)	1 (1)
Tim Scholefield	4 (4)	2 (2)	1 (1)	1 (1)

[A] Liz Airey is not a member of the Audit Committee but attends the meetings by invitation

The Board meets more frequently when business needs require. During the year ended 30 June 2025 this included a Board meeting to approve share buy backs, a Board meeting to approve the circular for the General Meeting held on 21 May 2025 and meeting to approve share buy backs, a Board meeting to approve the circular for the General Meeting held on 21 May 2025 and two Board Committee meetings to approve the annual and half yearly financial statements.

The Board believes that all the Directors seeking re-election remain independent of the Manager and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. The Board believes that each Director has the requisite high level and range of business, investment and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. Following formal performance evaluations, each Director's performance continues to be effective and demonstrates commitment to the role, and their individual performances contribute to the long-term sustainable success of the Company. In addition, all Directors have demonstrated that they have sufficient time to fulfil their directorial roles with the Company. The Board therefore recommends the re-election of each of the Directors at the Annual General Meeting.

External Agencies

The Board has contractually delegated to external agencies, including the Manager and other service providers, certain services including: the management of the investment portfolio, the day-to-day accounting and company secretarial requirements, the depositary services (which include cash monitoring, the custody and safeguarding of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements) and the share registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company. In addition, ad hoc reports and information are supplied to the Board as requested.

Board Diversity

The Board recognises the importance of having a range of skilled and experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. In doing so, the Board will take account of the targets set out in the FCA's Listing Rules, which are set out in the tables below.

The Board has resolved that the Company's year end date is the most appropriate date for disclosure purposes. The following information has been provided by each Director through the completion of questionnaires. There have been no changes since the year end.

Board Gender as at 30 June 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (note 3)	Number in executive management	Percentage of executive management
Men	2	40%	2		
Women	3	60% (note 1)	3	n/a	n/a
Not specified/prefer not to say	-	-	-		

Board Ethnic Background as at 30 June 2025

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (note 3)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	4	80%	4		
Asian/Asian British	1 (note 2)	20%	1	n/a	n/a
Not specified/prefer not to say	-	-	-		

Notes:

1. Meets target that at least 40% of Directors are women as set out in LR 6.6.6R (9)(a)(i)
2. Meets target that at least one Director is from a minority ethnic background as set out in LR 6.6.6R (9)(a)(iii)
3. The Board considers that the role of Chair, Senior Independent Director ("SID"), and the chairs of the Audit Committee, Management Engagement Committee and Nomination Committee are senior positions.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for regular refreshment and diversity.

It is the Board's policy that the Chair of the Board will not normally serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chair clearly set out.

The Role of the Chair and Senior Independent Director

The Chair is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chair facilitates the effective contribution and encourages active engagement by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chair acts upon the results of the Board evaluation process by recognising strengths and addressing any weaknesses and also ensures that the Board engages with major shareholders and that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chair and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chair, and leads the annual appraisal of the Chair's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, each Director prepares a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. Other than the deeds of indemnity, there were no contracts during, or at the end of the year, in which any Director was interested.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Directors' and Officers' Liability Insurance

The Company's Articles of Association provide for each of the Directors to be indemnified out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. In addition, the Company has entered into separate deeds of indemnity with each of the Directors, reflecting the scope of the indemnity in the Articles. Directors' and Officers' liability insurance cover has been maintained throughout the financial year at the expense of the Company.

Corporate Governance

The Board is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: frc.org.uk.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: theaic.co.uk. It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- the need for an internal audit function (provision 25);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 41).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

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. Full details of the Company's compliance with the AIC Code of Corporate Governance can be found on its website.

Substantial Interests

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure, Guidance and Transparency Rules are published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as at 30 June 2025.

Shareholder	Number of Ordinary shares	% held
Interactive Investor	10,625,891	17.2
Hargreaves Lansdown	7,388,113	12.0
RBC Brewin Dolphin	4,528,782	7.3
Saba Capital Management	3,673,307	5.9
AJ Bell	3,484,826	5.6
Rathbones	3,106,859	5.0
1607 Capital Partners	2,275,121	3.7
Charles Stanley	2,087,057	3.4
West Yorkshire Pension Fund	2,059,694	3.3

The Company has not been notified of any changes to the above holdings since the end of the year.

Going Concern

The Company's assets consist mainly of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board has also performed stress testing and liquidity analysis.

As at 30 June 2025, the Company had a £40 million unsecured revolving credit facility with The Royal Bank of Scotland International Limited which was due to expire on 1 November 2025. As explained in greater detail in the Chair's Statement, since the year end the Company has replaced the loan facility with a new £40 million secured facility with Bank of America.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report and they believe that the Company has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, as well as share buy back commitments. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 30 June 2025 which shows net current liabilities of £24.6 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required.

Taking all of this into account, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accountability and Audit

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

Following a competitive audit tender process conducted during 2024, Johnston Carmichael LLP was appointed as the Company's Independent Auditor at the Annual General Meeting on 21 November 2024. Resolutions to approve Johnston Carmichael LLP's re-appointment for the year to 30 June 2026 and to authorise the Directors to determine its remuneration will be proposed at the Annual General Meeting.

Financial Instruments

The financial risk management objectives and policies arising from financial instruments and the exposure of the Company to risk are disclosed in note 16 to the financial statements.

Relations with Shareholders

The Directors place a great deal of importance on communications with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and from the Manager and Company Secretary.

abrdn Holdings Limited has been appointed Company Secretary to the Company. Whilst abrdn Holdings Limited is a wholly owned subsidiary of Aberdeen Group plc, there is a clear separation of roles between the Manager and Company Secretary with different board compositions and different reporting lines in place. The Board notes that, in accordance with Market Abuse Regulations, procedures are in place to control the dissemination of information within the Aberdeen Group when necessary. Where correspondence addressed to the Board is received there is full disclosure to the Board. This is kept confidential if the subject matter of the correspondence requires confidentiality.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required. In addition, representatives from the Manager meet with major shareholders on at least an annual basis in order to gauge their views, and report back to the Board on these meetings.

The Company's Annual General Meeting provides a forum for communication primarily with private shareholders and is attended by the Board. The Investment Manager makes a presentation at the meeting and all shareholders have the opportunity to put questions to both the Board and the Manager/Investment Manager at the meeting. In addition, as explained in the Chair's Statement, the Company will hold an Online Shareholder Presentation in advance of the Annual General Meeting this year including the opportunity for an interactive question and answer session.

The notice of the Annual General Meeting is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board and Manager at the meeting.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006.

There are no restrictions on the transfer of, or voting rights attaching to, Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, the Market Abuse Regulation). The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Directors' Remuneration Report. The Company's Articles of Association may only be amended by a special resolution passed at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the management agreement with the Manager, the Company is not aware of any contractual or other agreements which are essential to its business which could reasonably be expected to be disclosed in the Directors' Report.

Annual General Meeting

The Annual General Meeting ("AGM") will be held at 12 noon on Thursday, 20 November 2025.

By order of the Board
abrdn Holdings Limited
Company Secretary
1 George Street
Edinburgh EH2 2LL
3 September 2025

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

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are 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, and have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, but not for the content of any information included on the website that has been prepared or issued by third parties. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in Respect of the Annual Financial Report

The Directors confirm that to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces; and
- the Annual Report taken as a whole, is fair, balanced and understandable and it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Liz Airey
Chair
3 September 2025

Statement of Comprehensive Income

		Year ended 30 June 2025			Year ended 30 June 2024		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net gains on investments held at fair value	10	-	11,512	11,512	-	48,116	48,116
Income	3	11,344	-	11,344	12,727	1,474	14,201
Investment management fee	4	(622)	(1,867)	(2,489)	(704)	(2,113)	(2,817)
Other administrative expenses	5	(781)	-	(781)	(876)	-	(876)
Net return before finance costs and taxation		9,941	9,645	19,586	11,147	47,477	58,624
Finance costs	6	(611)	(1,832)	(2,443)	(557)	(1,533)	(2,090)
Return before taxation		9,330	7,813	17,143	10,590	45,944	56,534
Taxation	7	-	-	-	-	-	-
Return after taxation		9,330	7,813	17,143	10,590	45,944	56,534
Return per Ordinary share (pence)	9	13.52	11.32	24.84	13.12	56.90	70.02

The total column of this statement represents the profit and loss account of the Company. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

The accompanying notes are an integral part of the financial statements.

Statement of Financial Position

	Notes	As at 30 June 2025 £'000	As at 30 June 2024 * Restated £'000
Non-current assets			
Investments held at fair value through profit or loss	10	383,829	436,689
Current assets			

Debtors	11	951	2,541
Cash and cash equivalents		16,218	15,920
		17,169	18,461
Current liabilities			
Creditors: other amounts falling due within one year	12	(1,812)	(2,097)
Bank loan	12	(39,991)	(39,964)
		(41,803)	(42,061)
Net current liabilities		(24,634)	(23,600)
Total assets less current liabilities		359,195	413,089
Net assets		359,195	413,089
Capital and reserves			
Called-up share capital	13	26,041	26,041
Share premium account		170,146	170,146
Capital reserve	14	148,574	203,375
Revenue reserve		14,434	13,527
Equity shareholders' funds		359,195	413,089
Net asset value per Ordinary share (pence)	15	581.37	556.19

* Further details of the restatement can be found in note 23.

The financial statements were approved by the Board of Directors on 3 September 2025 and were signed on its behalf by:

Liz Airey
Chair

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2024	26,041	170,146	203,375	13,527	413,089
Return after taxation	-	-	7,813	9,330	17,143
Buyback of Ordinary shares into Treasury (see note 13)	-	-	(62,614)	-	(62,614)
Dividends paid (see note 8)	-	-	-	(8,423)	(8,423)
Balance at 30 June 2025	26,041	170,146	148,574	14,434	359,195

For the year ended 30 June 2024

	Share capital £'000	Share premium account £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2023	26,041	170,146	217,927	12,473	426,587
Return after taxation	-	-	45,944	10,590	56,534
Buyback of Ordinary shares into Treasury (see note 13)	-	-	(60,496)	-	(60,496)
Dividends paid (see note 8)	-	-	-	(9,536)	(9,536)
Balance at 30 June 2024	26,041	170,146	203,375	13,527	413,089

The capital reserve at 30 June 2025 is split between realised of £71,720,000 and unrealised of £76,854,000 (30 June 2024 - realised £110,364,000 and unrealised £93,011,000).

The Company's reserves available to be distributed by way of dividends or share buybacks which includes the revenue reserve and the realised element of the capital reserve amount to £86,154,000 (30 June 2024 - £123,891,000).

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

	Year ended 30 June 2025	Year ended 30 June 2024 * Restated
	£'000	£'000

Operating activities		
Net return before taxation	17,143	56,534
Adjustment for:		
Gains on investments	(11,512)	(48,116)
Decrease/(increase) in accrued dividend and interest income	1,609	(912)
Finance costs	2,443	2,090
Increase in other debtors	(1)	(2)
Decrease in other creditors	(84)	(1,063)
Net cash inflow from operating activities	9,598	8,531
Investing activities		
Purchases of investments	(119,283)	(116,814)
Sales of investments	183,672	166,628
Net cash inflow from investing activities	64,389	49,814
Financing activities		
Bank and loan interest paid	(2,496)	(1,862)
Repurchase of Ordinary shares into Treasury	(62,770)	(60,450)
Drawdown of loan	-	15,000
Equity dividends paid	(8,423)	(9,536)
Net cash outflow from financing activities	(73,689)	(56,848)
Increase in cash and cash equivalents	298	1,497
Analysis of changes in cash and cash equivalents during the year		
Opening balance	15,920	14,423
Increase in cash and cash equivalents as above	298	1,497
Closing balance	16,218	15,920
Represented by:		
Cash at bank and in hand	5	293
Investments in AAA-rated money market funds	16,213	15,627
	16,218	15,920

* Further details of the restatement can be found in note 23.

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2025

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC145455, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

a) **Basis of accounting and going concern.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Company's assets consist mainly of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board has also performed stress testing and liquidity analysis.

As at 30 June 2025, the Company had fully drawn down from a £40 million unsecured revolving credit facility with The Royal Bank of Scotland International Limited which was due to expire on 1 November 2025. Since the year end the Company has replaced the loan facility with a new £40 million secured facility with Bank of America.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report and they believe that the Company has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 30 June 2025 which shows net current liabilities of £24.6 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required.

Taking all of this into account, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The accounting policies applied are unchanged from the prior year and have been applied consistently.

b) **Investments.** Investments have been designated upon initial recognition as fair value through profit or loss.This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery to be made within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all the FTSE All-Share and the most liquid AIM constituents.

Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

c) **Income.** Income from equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are credited to revenue or capital in the Statement of Comprehensive Income, according to the circumstances of the underlying payment. Foreign income is converted at the exchange rate applicable at the time of receipt. Interest receivable on short-term deposits and money market funds is accounted for on an accruals basis under the effective interest method.

d) Expenses and interest payable. Expenses are accounted for on an accruals basis. Expenses are charged to the capital column of the Statement of Comprehensive Income when they are incurred in connection with the maintenance or enhancement of the value of investments. In this respect, the investment management fee and relevant finance costs are allocated 25% to revenue and 75% to the capital columns of the Statement of Comprehensive Income in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively (see notes 4 and 6).

Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income.

e) Dividends payable. Dividends are recognised in the period in which they are paid.

f) Nature and purpose of reserves

Called-up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This reserve is not distributable.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p. This reserve is not distributable.

Capital reserve. Gains or losses on disposal of investments and changes in fair values of investments are transferred to the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. The part of this reserve represented by realised capital gains is available for distribution by way of share buybacks and dividends.

Revenue reserve. Income and expenses which are recognised in the revenue column of the Statement of Comprehensive Income are transferred to the revenue reserve. The revenue reserve is available for distribution including by way of dividend.

g) **Taxation**. Tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the year end date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements which are capable of reversal in one or more subsequent periods.

Owing to the Company's status as an investment trust company, 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.

h) **Foreign currency.** Non-monetary assets and liabilities denominated in foreign currency carried at fair value through profit or loss are converted into Sterling at the rate of exchange ruling at the year end date. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Statement of Comprehensive Income.

i) **Judgements and key sources of estimation uncertainty.** Disclosure is required of judgements and estimates made by management in applying the accounting policies that have a significant effect on the Financial Statements. Investments in AAA-rated money market funds are judged to be a cash or cash equivalent due to their short-term and highly liquid nature. There is also no significant risk that they will not be realised at their carrying value.

j) **Cash and cash equivalents**. Cash comprises bank balances and cash held by the Company. Cash equivalents are short-term, highly liquid investments, including investments in AAA-rated money market funds, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) **Bank borrowing.** Interest bearing bank loans and overdrafts are recorded initially at fair value, being the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income under the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

l) **Treasury shares.** When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effect, and is recognised as a deduction from the capital reserve. When these shares are sold subsequently, the amount received is recognised as an increase in equity, and any resulting surplus on the transaction is transferred to the share premium account and any resulting deficit is transferred from the capital reserve.

3. Income

	2025 £'000	2024 £'000
Income from investments		

UK dividend income	8,800	10,363
Property income distributions	112	274
Overseas dividend income	1,197	888
Special dividends	531	315
Special dividends - capital	-	1,474
	10,640	13,314

Other income		
Interest from AAA-rated money market funds	704	873
Bank interest	-	14
Total income	11,344	14,201

4. Investment management fee

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	622	1,867	2,489	704	2,113	2,817

The balance due to abrdn Fund Managers Limited ("aFML") at the year end in respect of investment management fees was £519,000 (2024 - £715,000). The management fee was revised with effect from 1 April 2025. For further details see the Directors' Report and note 20.

5. Administrative expenses (inclusive of VAT)

	2025 £'000	2024 £'000
Secretarial fees[A]	-	45
Promotional activities[A]	246	249
Directors' fees	169	169
Auditor's remuneration:		
- fees payable to the Company's Independent Auditor for the audit of the annual accounts (excluding VAT)	42	71
- VAT on audit fees	8	12
Registrar's fees	42	29
Professional fees	56	48
Custody fees	32	29
Depositary fees	47	49
Other expenses	139	175
	781	876

[A] During the year ended 30 June 2024 the Company had an agreement with aFML for the provision of secretarial services and promotional activities. It was agreed between the Company and the Manager that payments under this agreement in relation to secretarial fees would cease from 1 January 2024. Secretarial fees payable during the year, inclusive of VAT, were £nil (2024 - £45,000) and the amount due to aFML at the year end was £nil (2024 - £nil). Costs relating to promotional activities during the year, inclusive of VAT, were £246,000 (2024 - £249,000) and the amount due to aFML at the year end was £365,000 (2024 - £119,000).

6. Finance costs

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loan interest	604	1,812	2,416	535	1,466	2,001
Non-utilisation fees	-	-	-	15	47	62
Amortisation of loan arrangement expenses	7	20	27	7	20	27
	611	1,832	2,443	557	1,533	2,090

7. Taxation

(a) Analysis of charge for year

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Tax charge	-	-	-	-	-	-

Given the Company's continued investment trust status and there being no taxable income generated from its operations, no tax has been paid in the year (2024 - same).

(b) Provision for deferred taxation. At 30 June 2025, the Company had unutilised management expenses and loan relationship losses of £89,863,000 (2024 - £84,965,000). A deferred tax asset has not been recognised on the unutilised management expenses and loan relationship losses as it is unlikely there will be suitable future taxable profits against which these tax losses could be deducted. Therefore, it is unlikely that the Company will generate future taxable revenue that would enable the existing tax losses to be utilised.

(c) Factors affecting the tax charge for the year. The tax charge for the year is lower (2024 - lower) than the standard rate of UK corporation tax for the period of 25% (2024 - 25%). The differences are explained in the following table:

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	9,330	7,813	17,143	10,590	45,944	56,534
Corporation tax at 25% (2024 - 25%)	2,333	1,953	4,286	2,648	11,486	14,134
Effects of:						
Non-taxable UK dividend income	(2,633)	-	(2,633)	(2,806)	(368)	(3,174)
Non-taxable overseas dividend income	-	-	-	(86)	-	(86)
Management expenses and loan relationship losses not utilised	300	925	1,225	244	911	1,155
Non-taxable gains on investments	-	(2,878)	(2,878)	-	(12,029)	(12,029)
Total tax charge	-	-	-	-	-	-

8. Dividends

	2025 £'000	2024 £'000
Amounts recognised as distributions to equity holders in the period:		
2024 final dividend of 8.30p per share (2023 - 8.00p) paid on 29 November 2024	6,003	6,711
2025 interim dividend of 3.70p per share (2024 - 3.70p) paid on 18 April 2025	2,420	2,825
	8,423	9,536

The proposed 2025 final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 1158-1159 of the Corporation Taxes Act 2010 are considered. The net revenue available for distribution by way of dividend for the year is £9,330,000 (2024 - £10,590,000).

	2025 £'000	2024 £'000
Interim dividend 2025 of 3.70p per share (2024 - 3.70p) paid on 18 April 2025	2,420	2,825
Proposed final dividend 2025 of 9.50p per share (2024 - 8.30p) payable on 28 November 2025	5,538	6,119
	7,958	8,944

The amount payable for the proposed final dividend is based on the Ordinary shares in issue as the date of approval of this Report, 3 September 2025, which satisfies the requirement of Section 1159 of the Corporation Tax Act 2010.

9. Return per Ordinary share

	2025		2024	
	p	£000	p	£000
Basic				
Revenue return	13.52	9,330	13.12	10,590
Capital return	11.32	7,813	56.90	45,944
Total return	24.84	17,143	70.02	56,534
Weighted average number of Ordinary shares in issue		69,016,410		80,738,502

10. Investments held at fair value through profit or loss

	2025 £'000	2024 £'000
Opening book cost	343,678	389,539
Opening investment holdings gains	93,011	48,869
Opening fair value	436,689	438,408
Additions at cost	119,318	116,783
Disposals - proceeds	(183,690)	(166,618)
Gains	11,512	48,116
Closing fair value	383,829	436,689

	2025 £'000	2024 £'000
Closing book cost	306,975	343,678
Closing investment holding gains	76,854	93,011
Closing fair value	383,829	436,689

All investments are in equity shares listed on the London Stock Exchange.

The Company received £183,690,000 (2024 - £166,618,000) from investments sold in the period. The book cost of these investments when they were purchased was £156,021,000 (2024 - £162,644,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Transaction costs. During the year, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or

Transaction costs: During the year, expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within net gains on investments held at fair value in the Statement of Comprehensive Income. The total costs were as follows:

	2025 £'000	2024 £'000
Purchases	616	314
Sales	115	44
	731	358

11. Debtors

	2025 £'000	2024 £'000
Amounts due from brokers	18	-
Net dividends and interest receivable	911	2,520
Other debtors	22	21
	951	2,541

12. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Amounts payable to brokers	35	-
Amounts payable in relation to share buybacks	427	583
Interest payable	347	427
Investment management fee payable	519	715
Sundry creditors	484	372
	1,812	2,097

Bank loan	2025 £'000	2024 £'000
Bank loan	40,000	40,000
Unamortised loan arrangement expenses	(9)	(36)
	39,991	39,964

On 2 November 2022, the Company entered into a three year revolving credit facility of £40 million (the "RCF") with The Royal Bank of Scotland International Limited, which was due to expire on 1 November 2025. The RCF had a further uncommitted accordion provision allowing the Company to request and increase, subject to lender's approval, of up to an additional £25 million. At 30 June 2025, £40 million was drawn down under the RCF at an interest rate of 5.76% (2024 - £40 million at a rate of 6.50%), which matured on 6 August 2025. Since the year end, the Company has replaced its loan facility with a new £40 million secured facility with Bank of America. The new facility is an 'evergreen' facility which will continue until such time as the Company or the lender provide notice of termination in accordance with the agreement. At the time of writing, the full amount of £40 million has been drawn down.

The RCF is shown in the Statement of Financial Position net of unamortised expenses of £9,000 (30 June 2024 - £36,000).

The terms of the RCF contained covenants that the Consolidated Net Tangible Assets as defined in the agreement must not be less than £200 million, the percentage of borrowings against the Adjusted Portfolio Value as defined in the agreement shall not exceed 30%, and the portfolio contains a minimum of thirty eligible investments (investments made in accordance with the Company's investment policy). The Company complied with all covenants throughout the year.

13. Called-up share capital

	2025		2024	
	Number	£'000	Number	£'000
Authorised	150,000,000	37,500	150,000,000	37,500
Issued and fully paid:				
Ordinary shares of 25p each	61,783,713	15,446	74,270,535	18,568
Held in treasury:	42,380,709	10,595	29,893,887	7,473
	104,164,422	26,041	104,164,422	26,041

	Ordinary shares Number	Treasury shares Number	Total Number
Opening balance	74,270,535	29,893,887	104,164,422
Share buybacks	(12,486,822)	12,486,822	-
Closing balance	61,783,713	42,380,709	104,164,422

During the year the Company repurchased 12,486,822 (2024 - 14,059,376) Ordinary shares to treasury at a cost of £62,614,000 (2024 - £60,496,000).

14. Capital reserve

	2025 £'000	2024 £'000
Opening balance	203,375	217,927
Unrealised (losses)/gains on investment holdings	(16,157)	44,142

Gains on realisation of investments at fair value	27,669	3,974
UK dividend income - capital	-	1,474
Management fee charged to capital	(1,867)	(2,113)
Finance costs charged to capital	(1,832)	(1,533)
Buyback of Ordinary shares into treasury	(62,614)	(60,496)
Closing balance	148,574	203,375

The capital reserve includes investment holding gains amounting to £76,854,000 (2024 - gains of £93,011,000) as disclosed in note 10.

15. Net asset value per share

Total shareholders' funds have been calculated in accordance with the provisions of applicable accounting standards. The analysis of total shareholders' funds on the face of the Statement of Financial Position reflects the rights, under the Articles of Association, of the Ordinary shareholders on a return of assets.

	2025	2024
Net assets attributable (£'000)	359,195	413,089
Number of Ordinary shares in issue at year end[A]	61,783,713	74,270,535
Net asset value per share	581.37p	556.19p

[A] Excluding shares held in treasury.

16. Financial instruments

The Company's financial instruments comprise securities and other investments, cash balances, loans and 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 Company also has the ability to enter into derivative transactions for the purpose of managing currency and market risks arising from the Company's activities. No such transactions took place during the year.

The main risks the Company faces from its financial instruments are i) market price risk (comprising interest rate risk, currency risk and other price risk), ii) liquidity risk and iii) credit risk. There was no material currency risk to the Company for the period given its investing and financing activities are in the UK.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

i) Market price risk. The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements - interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate movements may affect:

- the level of income receivable on cash deposits and money market funds;
- interest payable on the Company's variable rate borrowings.

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

As at 30 June 2025, the Company had drawn down £40 million (2024 - £40 million) from the £40 million revolving credit facility with The Royal Bank of Scotland International Limited.

Interest risk profile. The interest rate risk profile of the portfolio of financial assets and liabilities at the year end date was as follows:

As at 30 June 2025	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Investments in AAA-rated money market funds	-	4.38	-	16,213
Cash at bank and in hand	-	2.72	-	5
Total assets	-	-	-	16,218
Liabilities				
Bank loan	0.10	5.76	40,000	-
Total liabilities	-	-	40,000	-

As at 30 June 2024	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Investments in AAA-rated money market funds	-	5.33	-	15,627
Cash at bank and in hand	-	3.70	-	293
Total assets	-	-	-	15,920
Liabilities				
Bank loan	0.09	6.49	40,000	-
Total liabilities	-	-	40,000	-

The weighted average interest rate is based on the current yield of each asset, weighted by its market value.

The floating rate assets consist of investments in AAA-rated money market funds and cash deposits on call earning interest at prevailing market rates.

All financial liabilities are measured at amortised cost.

Interest rate sensitivity. The sensitivity analyses below have been determined based on the exposure to interest rates at the year end date and with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Company's result for the year ended 30 June 2025 and net assets would increase by £162,000 (2024 - increase by £159,000). If interest rates had been 100 basis points lower and all other variables were held constant, the Company's result for the year ended 30 June 2025 and net assets would decrease by £162,000 (2024 - decrease by £159,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances and money market funds.

Other price risk. Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets and the stock selection process, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are mainly listed on the London Stock Exchange.

Other price risk sensitivity. If market prices at the year end date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary Shareholders for the year ended 30 June 2025 would have increased/decreased by £38,383,000 (2024 - increase/decrease of £43,669,000). This is based on the Company's equity portfolio held at each year end.

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

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities and AAA-rated money market funds, which can be sold to meet funding commitments if necessary. Subject to compliance with the terms of the revolving credit facility, including relevant covenant compliance, the Company has the ability to make future loan drawdowns during the period until the expiry of the facility on 1 November 2025.The maturity of the Company's existing borrowings is set out in the credit risk profile section of this note.

As at 30 June 2025	Expected cash flows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
Bank loan	40,581	40,581	-	-

As at 30 June 2024	Expected cash flows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
Bank loan	40,235	40,235	-	-

iii) **Credit risk.** This is failure of the counter party to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not significant, and is managed as follows:

- investment transactions are carried out with a number of brokers, whose credit-standing is reviewed periodically by the investment manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, both stock and cash reconciliations to the Custodians' records are performed on a daily basis to ensure discrepancies are investigated on a timely basis.
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 30 June was as follows:

	2025		2024	
	Statement of Financial Position	Maximum exposure	Statement of Financial Position * Restated	Maximum exposure * Restated
Current assets	£'000	£'000	£'000	£'000
Debtors	18	18	-	-
Cash and cash equivalents	16,218	16,218	15,920	15,920
	16,236	16,236	15,920	15,920

* Further details of the restatement can be found in note 23.

None of the Company's financial assets is past due or impaired.

17. Analysis of changes in net debt

	At 30 June 2024 £'000	Cash flows £'000	Non-cash movements £'000	At 30 June 2025 £'000
Cash and cash equivalents	15,920	298	-	16,218
Debt due in less than one year	(39,964)	-	(27)	(39,991)
	(24,044)	298	(27)	(23,773)

	At 30 June 2023 * Restated	Cash flows * Restated	Non-cash movements	At 30 June 2024 * Restated
	£'000	£'000	£'000	£'000
Cash and cash equivalents	14,423	1,497	-	15,920
Debt due in less than one year	(24,938)	(15,000)	(26)	(39,964)
	(10,515)	(13,503)	(26)	(24,044)

* Further details of the restatement can be found in note 23.

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

18. Capital management

The investment objective of the Company is to achieve long term capital growth by investment in UK quoted smaller companies.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balance.

The Company's capital comprises the following:

	2025 £'000	2024 £'000
Equity		
Equity share capital	26,041	26,041
Reserves	333,154	387,048
Liabilities		
Bank loan	39,991	39,964
	399,186	453,053

The Company's net gearing comprises the following:

	2025	2024 * Restated
	£'000	£'000
Bank loans	(39,991)	(39,964)
Cash and cash equivalents	16,218	15,920
Amounts due from brokers	18	-
Amounts payable to brokers	(35)	-
Net gearing (borrowings less cash and money market fund investments)	(23,790)	(24,044)
Net assets	359,195	413,089
Net gearing (%)	6.6	5.8

* Further details of the restatement can be found in note 23.

The Board 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 account of the Investment Manager's views on the market;
- the level of equity shares;
- 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 does not have any externally imposed capital requirements.

19. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities (2024 - same) that are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments of £383,829,000 (2024 - £436,689,000) have therefore been deemed as Level 1.

The fair value of the £40 million revolving credit facility loan as at the 30 June 2025 is £40,000,000, due to it being short-term in nature, with a par value per Statement of Financial Position of £39,991,000. Under the fair value hierarchy in accordance with FRS 102, these borrowings can be classified at Level 2.

20. Transactions with the Manager

The Company has an agreement with abrdn Fund Managers Limited for the provision of management services. The management fee is calculated and payable quarterly in arrears at a rate of 0.60% per annum on the first £200 million of net assets and 0.55% on net assets above £200 million. Prior to 1 April 2025, the management fee was charged at 0.75% per annum on the first £175 million of net assets, 0.65% per annum on net assets between £175 million and £550 million and 0.55% on net assets above £550 million.

The Manager also receives a separate fee for the provision of promotional activities as disclosed in note 5.

21. Related party transactions

The Directors of the Company received fees for their services. Further details are provided in the Directors' Remuneration Report.

22. Subsequent events

Cancellation of Share Premium Account
Following shareholder approval at the General Meeting on 21 May 2025, the Company received court approval, by way of a court order dated 15 August 2025, for cancellation of the entire amount standing to the credit of the Share Premium Account. The court order was registered at Companies House on 20 August 2025 at which point cancellation of the entire amount standing to the credit of the Share Premium Account, being approximately £170 million, became effective. That amount has been credited to a special distributable reserve which is available to fund the cost of share buy backs and future dividend payments, if required. The Board believes that it is in the Company's interest to have this flexibility in its reserves, although the Board has no current intention of using the new reserve for dividend payments which it expects will continue to be resourced through annual net revenues and revenue reserves.

Share Buybacks
Subsequent to the year end, a further 3,485,538 Ordinary shares were repurchased to treasury at a cost of £18,425,000.

23. Prior year restatement

The Statement of Financial Position, the Statement of Cash Flows and note 16, 17 and 18 for the year ended 30 June 2024 have been restated to classify investments in AAA-rated money market funds as a cash and cash equivalent. This treatment was changed to align to the presentation in accordance with guidance provided in FRS 102.

Consequently, within the Statement of Financial Position for the year ended 30 June 2024, cash at bank and in hand of £293,000 and investments in AAA-rated money market funds of £15,627,000, which had previously been separately presented are now shown in aggregate as cash and cash equivalents in the amount of £15,920,000. In the Statement of Cash Flows for the year ended 30 June 2024, the opening and closing balances of cash and equivalents now include investments in AAA-rated money market funds as well as cash and bank and in hand, and purchases and sales of investments in AAA-rated money market funds have been excluded as they do not meet the definition of a long-term asset. As a result, "Net cash inflow from investing activities" and "Increase in cash and cash equivalents" have been increased by £1,498,000, being the movement in AAA-rated money market funds during the prior period. In the table for "Credit risk exposure" in note 16 for 2024, the table for "Analysis of net debt" in note 17 for 2024 and "Net gearing" in note 18, cash at bank and in hand of £293,000 and investments in AAA-rated money market funds of £15,627,000, which had previously been separately presented are now shown in aggregate as cash and cash equivalents in the amount of £15,920,000.

Alternative Performance Measures

The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies. Where the calculation of an APM is not detailed within the financial statements, an explanation of the methodology employed is provided below.

Discount

A discount is the percentage by which the market price is lower than the Net Asset Value ("NAV") per share.

	30 June 2025	30 June 2024
Share price	529.00p	486.50p
Net Asset Value per share	581.37p	556.19p
Discount	9.0%	12.5%

Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due from and to brokers at the period end as well as cash and short-term deposits.

	30 June 2025 £'000	30 June 2024 £'000
Total borrowings [A]	(39,991)	(39,964)
Cash and short term deposits	5	293
Investments in AAA-rated money market funds	16,213	15,627
Amounts due from brokers	18	-
Amounts payable to brokers	(35)	-
Total cash and money market fund investments [B]	16,201	15,920
Net gearing (borrowings less cash and money market fund investments) [C=A+B]	(23,790)	(24,044)
Shareholders' funds [D]	359,195	413,089
Net gearing [C/D]	6.6%	5.8%

Ongoing charges ratio

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC, which is defined as the total of investment management fees and recurring administrative expenses and expressed as a percentage of the average of published daily net asset values throughout the year.

	30 June 2025 £'000	30 June 2024 £'000
[illegible]	2,489	2,817

Investment management fee[A]	2,489	2,817
Administrative expenses[B]	781	876
Less: non-recurring charges[C]	(11)	(5)
Ongoing charges	3,259	3,688
Average daily net assets	385,637	402,438
Ongoing charges ratio	0.85%	0.92%

[A] See note 4.

[B] See note 5.

[C] Comprises professional fees not expected to recur.

The ongoing charges ratio differs from the other ongoing costs figure reported in the Company's Key Information Document calculated in line with the PRIIPs regulations, which includes the ongoing charges ratio and the financing and transaction costs.

Total return

NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return assumes reinvesting the net dividend paid by the Company back into the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return assumes reinvesting the net dividend back into the share price of the Company on the date on which that dividend goes ex-dividend.

NAV total return

Year ended 30 June 2025	2025	2024
Opening NAV	556.19p	482.95p
Closing NAV	581.37p	556.19p
Increase in NAV	25.18p	73.24p
% Increase in NAV	4.5%	15.2%
Uplift from reinvestment of dividends[A]	2.3%	2.9%
NAV total return increase	6.8%	18.1%

[A] The uplift from reinvestment of dividends assumes that the dividends of 8.3p in November 2024 and 3.7p in April 2025 (8.0p and 3.7p in 2023/24) paid by the Company were reinvested in the NAV of the Company on the ex-dividend date.

Share price total return

Year ended 30 June 2024	2025	2024
Opening share price	486.50p	414.00p
Closing share price	529.00p	486.50p
Increase in share price	42.50p	72.50p
% Increase in share price	8.7%	17.5%
Uplift from reinvestment of dividends[A]	2.7%	3.5%
Share price total return increase	11.4%	21.0%

[A] The uplift from reinvestment of dividends assumes that the dividends of 8.3p in November 2024 and 3.7p in April 2025 (8.0p and 3.7p in 2023/24) paid by the Company were reinvested in the shares of the Company on the ex-dividend date.

Additional Notes to the Annual Financial Report

The Annual General Meeting will be held at 12 noon on Thursday 20 November 2025 at Aberdeen's office at 18 Bishops Square, London E1 6EG.

If approved at the Annual General Meeting, the final dividend of 9.50p per share will be paid on 28 November 2025 to holders of Ordinary shares on the register at the close of business on 31 October 2025. The relevant ex-dividend date is 30 October 2025.

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 30 June 2025 have been agreed with the auditor and are an abridged version of the Company's full accounts, which have been approved and audited with an unqualified report. The 2024 and 2025 statutory accounts received unqualified reports from the Company's auditor and did not include any reference to matters to which the auditor drew attention by way of emphasis without qualifying the reports, and did not contain a statement under s.498(2) or 498(3) of the Companies Act 2006. The financial information for 2024 is derived from the statutory accounts for 2024 which have been delivered to the Registrar of Companies. The 2025 accounts will be filed with the Registrar of Companies in due course.

The Annual Report and Accounts will be posted to shareholders in September 2025. Copies will be available during normal business hours from the Secretary, abrdn Holdings Limited, 1 George Street, Edinburgh EH2 2LL or from the Company's website: www.abrnuksmallercompaniesgrowthtrust.co.uk*.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

By order of the Board
abrdn Holdings Limited
Company Secretary
3 September 2025

** Neither the Company's website nor the content of any website accessible from hyperlinks on it (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*

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