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Schroder BSC Social Impact Trust
29 October 2025

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Schroder BSC Social Impact Trust plc

Annual Results

The Board of Schroder BSC Social Impact Trust plc (the "Company" or "SBSI"), which provides a unique investment opportunity to address UK social challenges, today announces the publication of its Annual Report and Financial Statements for the year to 30 June 2025. The Annual Report and Financial Statements are being published in hard copy format and an electronic copy will shortly be available to download from the Company's website: https://www.schroders.com/sbsi. Please click on the following link to view the document: https://schro.link/sbsiara2025. A copy of the 2025 Annual Report and Financial Statements will shortly be submitted to the FCA's National Storage Mechanism and will be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Financial highlights:

· NAV per share of 102.94p (FY 2024: 104.13p)

· NAV total return per share of +1.6% with strong income from the portfolio partially offset by write downs in high impact housing (FY 2024: +1.5%)

· NAV total return per share of 12.0% since inception (2.5% annualised)

· 3.76p dividend payment declared to be paid in December 2025 (2.94p paid in December 2024), representing a dividend yield of 3.65% based on the NAV at 30 June 2025 and a dividend yield of 5.45% based on the Company's share price as at close on 28 October 2025

Impact highlights:

· £96m of capital committed to date to over 190 high impact frontline organisations

· Reaching 422,000 people since inception, with at least 98% of whom are underserved and disadvantaged

· £238m has been generated on public and household savings and benefits

The report comes as the Board is carrying out a strategic review into the future of the Company and actively consulting with shareholders, as announced on 2 July 2025 and updated on 4 September 2025. The Board is currently evaluating potential fund structures and alternatives and continues to seek input from shareholders. An update will be provided at or before the Company's AGM on 17 December 2025.

A recording of the Portfolio Manager discussing the results is available at https://schro.link/sbsi2025video.

Susannah Nicklin, Chair of the Schroder BSC Social Impact Trust plc, said:

"The Schroder BSC Social Impact Trust continues to deliver deep impact across the UK, with its investments supporting positive change in communities and in the lives of the most vulnerable people. In order to preserve this impact, while also seeking to generate good value for shareholders, the Board has been focussed over the past months conducting a consultation and working with our advisors to respond effectively to our shareholders' needs. We thank everyone involved for their input as we continue with this process, and look forward to providing an update in December."

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About Schroder BSC Social Impact Trust plc

The Company was launched in December 2020, to enable access to high social impact investment opportunities in private markets - tackling social challenges across the UK. The Company manages a diversified portfolio across asset classes, targeting sustainable returns, demonstrable social impact, and low correlation to traditional public markets.

Further information about the Company can be found on its website at www.schroders.com/SBSI

About Better Society Capital

Better Society Capital is the UK's leading social impact investor. Our mission is to grow the amount of money invested in tackling social issues and inequalities in the UK. We do this by investing our own capital and helping others invest for impact too.

Since 2012, we have helped build a market that has directed more than £10 billion into social purpose organisations tackling issues from homelessness and mental health, to childhood obesity and fuel poverty, a more than ten-fold increase.

Further information about Better Society Capital can be found at www.bettersocietycapital.com

About Schroders plc

Schroders is a global investment manager which provides active asset management, wealth management and investment solutions, with £776.6 billion (€906.6 billion; 1064.2 billion) of assets under management at 30 June 2025. As a UK listed FTSE100 company, Schroders has a market capitalisation of circa £6 billion and over 5,800 employees across 38 locations. Established in 1804, Schroders remains true to its roots as a family-founded business. The Principal Shareholder Group continues to be a significant shareholder, holding approximately 44% of the issued share capital.

Schroders' success can be attributed to its diversified business model, spanning different asset classes, client types and geographies. The company offers innovative products and solutions through four core business divisions: Public Markets, Solutions, Wealth Management, and Schroders Capital, which focuses on private markets, including private equity, renewable infrastructure investing, private debt & credit alternatives, and real estate.

Schroders aims to provide excellent investment performance to clients through active management. This means directing capital towards resilient businesses with sustainable business models, consistently with the investment goals of its clients. Schroders serves a diverse client base that includes pension schemes, insurance companies, sovereign wealth funds, endowments, foundations, high net worth individuals, family offices, as well as end clients through partnerships with distributors, financial advisers, and online platforms.

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Chair's Statement

"Preserving that impact remains a priority to the Board as we evaluate options for the Company's future and seek to serve shareholders' needs."

The Social Impact Trust delivered a 1.6% NAV total return performance in the year to 30 June 2025, with strong investment income delivered from maturing investments across the portfolio. The Company will pay a dividend of 3.76p per share (2024: 2.94p) on 19 December 2025, which represents a dividend yield of 3.65% based on the NAV at 30 June 2025 and a dividend yield of 5.45% based on the Company's share price as at close on 28 October 2025. This is above our guided dividend range of 2-3% yield on NAV per annum, due to a one-off income distribution from Bridges Inclusive Growth Fund. This dividend is wholly designated as an interest distribution. As well as a financial return, the Company's investments continued to enable substantial positive impact. The organisations we have funded have reached 422,000 people and generated £238m in savings and additional income for the Government, households, and communities since inception.

Shareholder consultation and strategic review

Over the year there has been continued pressure on the Company's share price, with a share price total return during the year of -7.4% and an average discount to NAV of 24.7%. In response to this, and as previously communicated, the Board's focus has been on managing the discount, engaging with shareholders and exploring potential options for the future of the Company. Post year end in July 2025, the Board announced our decision to conduct a shareholder consultation process and strategic review.

At the time, we announced that due to difficulties in expanding the shareholder base and growing the assets of the Company since IPO, the Board and its advisers would carefully consider the options for the future of the Company.

Since then, and as communicated on 4 September 2025, the Board has engaged in a thorough consultation with shareholders. Feedback included a variety of preferred outcomes. As a result, the Board is currently evaluating potential fund structures and alternatives that would seek to optimise outcomes for shareholders and continues to consult with them. An update will be provided at or before the Company's Annual General Meeting ("AGM") on 17 December 2025. The Board is mindful about balancing many factors in our deliberations, including important liquidity requirements, financial and impact returns, and shareholder feedback about the distinct role the Company plays in investor portfolios.

When the Company was launched in 2020, it committed to providing shareholders with the opportunity to vote on the Company's continuation should the Company's shares trade, on average, at a discount in excess of 10% to NAV for the two-year period ending 31 December 2023 and in any subsequent two-year period. The current period under assessment is the two-year period to 31 December 2025. Given the average discount of 22.8% from 1 January 2024 to the date of this report, a vote will likely be triggered. The Board intends to convene a general meeting prior to the AGM in 2026 to table recommended proposals on the future of the Company.

I would like to take this opportunity to sincerely thank our shareholders for their valuable input and the ongoing support for the goals of the Company and the work of our investee organisations.

NAV total return growth with high impact

The NAV total return for the year was 1.6%, bringing NAV total return since inception to 12.0% (2.5% annualised). NAV per share as at 30 June 2025 was 102.94p, declining from 104.13p at 30 June 2024 after the payment of a 2.94p per share dividend.

The macro-economic picture has been difficult, with real GDP growth for the year remaining subdued at 1.2%, and the base rate decreasing from 5.25% to 4.25% in the year. Inflation remained elevated with CPI at 3.6% in the year to 30 June 2025. Against this challenging backdrop, the Company has not met our return target of CPI +2% per annum (when fully invested on a rolling three to five year period).

Conditions in the UK investment trust sector were also testing throughout the year, as alternative investment strategies like ours continued to trade on significant discounts. In response to this ongoing pressure, we saw many UK-listed investment trusts enact corporate initiatives or shifts in strategy, and the Board has stayed well informed and alert to market dynamics.

There were three capital realisations at NAV completed in the year. These included the partial repayment of one of the Company's charity bond investments, a second partial exit from the Resonance Real Lettings Property Fund LP ("RLPF1"), and the repayment of the Abbeyfield York loan in the Charity Bank co-investments portfolio. The ability to continue to exit investments at NAV demonstrates the ongoing attractiveness and value of the assets within our portfolio.

On 26 June 2025, the Company published its 2025 Impact Report. This was the first Impact Report since the Company adopted the FCA's "Sustainability Impact" label in December 2024. It makes inspiring reading, with many positive impact performance metrics evidencing how the Company's capital makes a significant difference to people's lives. For example, people provided with affordable decent homes since inception is up 5% on the prior year to 34,500, while more than 42,000 underserved and disadvantaged people have been provided with health and care services. I encourage investors to read the report, as we have included powerful stories from people served by our investees and a selection of frontline investment case studies. The 2025 Impact Report is available at: https://schro.link/impactreport2025.

Outlook

While many macro-economic headwinds persist, the Government continues to show signs of an increasing interest in social impact investment as a tool to help finance key policy initiatives. This was demonstrated this year with the creation of the Social Impact Investment Advisory Group in February 2025 and followed by the announcement of the £500m Better Futures Fund in July. The Better Futures Fund is an innovative Social Outcomes Contracts vehicle looking to support vulnerable children and families in the UK. Subject to our strategic review, the Company may be well positioned to engage with the new investment opportunities unlocked by this fund and other Government programmes.

The portfolio of the Company is a unique offering, bringing together multiple social impact investment opportunities across asset classes and issue areas in the UK. It continues to deliver deep positive impact to disadvantaged communities across the UK. Preserving that impact remains a priority to the Board as we evaluate options for the Company's future and seek to serve shareholders' needs.

Although it has been a challenging period, our Portfolio Manager has been a steady hand on the tiller and maintained vigilant focus on the Company's dual impact and financial objectives. The Board is committed to listening to investors and thinking creatively along with our advisers. I look forward to further engagement as we explore all options to meet the diverse goals of our shareholders, and will update on our strategic direction at or before our AGM in December 2025.

A recording of the Portfolio Manager discussing the results is available at https://schro.link/sbsi2025video.

Susannah Nicklin
Chair

28 October 2025

Portfolio Manager's Review

Market developments

The start of the Company's financial year was marked by the election of a new Labour Government, which brought increased engagement with the social economy, including several measures and initiatives aimed at increasing the flow of private and Government capital into projects that address social issues and regional inequalities.

The new Government expressed a commitment to tackling the housing crisis, a part of which is alleviating homelessness, through building 1.5m new homes over the next five years[1], addressing energy security and fuel poverty through the establishment of Great British Energy[2], and introduced the National Wealth Fund to mobilise large-scale capital to support national priorities, including regional and local growth and clean energy[3].

In July 2025 (after the Company's financial year end), the Government announced the launch of the Better Futures Fund, a £500m Social Outcomes Partnerships Fund that aims to support up to 200,000 children and their families over the next ten years, working in partnership with social investors, philanthropists, social enterprises, charities and local communities[4].

These priority areas are strongly aligned with the Company's investment themes, and Better Society Capital has been working closely with Government bodies to help shape policy initiatives, for example through our membership of the Social Impact Investment Advisory Group whose inputs and recommendations informed the creation of the Better Futures Fund.

The broader economic indicators remained challenging, with growth remaining subdued at 1.2%[5] in the year to June 2025, while inflation remained elevated, at 3.6% in the same period, against a backdrop of continued geopolitical conflict, tensions and uncertainty. Increasing gilt yields and resulting increases in discount rates put downward pressure on the valuation of real assets, seen particularly in the Company's High Impact Housing portfolio.

Strategy Update and Outlook

As noted in the Chair's Statement, the Company's discount to NAV continued to widen, leading to the Board's decision to announce a strategy review and shareholder consultation on 2 July 2025, shortly after the end of the financial year, with a further update provided in early September.

We are continuing to manage the portfolio in accordance with the Company's investment objective and policy, however, we will not be making any new commitments that extend the maturity of the portfolio, for the duration of the consultation. As at the financial year end, total commitments to high impact investments amounted to 98% of the NAV of the portfolio, and 84% of NAV was invested in high impact investments (with the remainder being held in Liquidity Assets to fulfil undrawn commitments, comprising 14% of NAV). As capital is being repaid from maturing and exiting investments, we will invest the proceeds in money-market funds pending the completion of the consultation process.

The Company's portfolio continues to deliver positive impact outcomes where they are needed most, as shown in our latest Impact Report, which shows that since our launch in 2020, the organisations funded by our investments reached 422,000 people, 98% from vulnerable and disadvantaged backgrounds; generated £238m in social outcomes and savings; and funded 34,500 affordable and decent homes. The adoption of the Sustainability Disclosure Requirements ("SDR") "Sustainability Impact" label since December 2024 provides our investors assurance on the rigour of our impact measurement, management and reporting approach, and our commitment to operate in line with best industry standards.

We continue to see strong need for the services our portfolio companies provide, in an environment of persistent constraints on public spending, and we see growing momentum for catalysing new investment opportunities in partnership with a supportive Government, committed to working with private investment and the social sector.

1 https://www.gov.uk/government/news/planning-overhaul-to-reach-15-million-new-homes

2 https://www.gov.uk/government/publications/introducing-great-british-energy/great-british-energy-founding-statement

3 https://www.gov.uk/government/publications/statement-of-strategic-priorities-to-the-national-wealth-fund/statement-

of-strategic-priorities-to-the-national-wealth-fund-html

[4] https://www.gov.uk/government/news/largest-fund-of-its-kind-to-support-vulnerable-kids-families

[5] https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/june2025#:~:text=1.,2.

NAV per share progression

Performance update

The NAV total return per share for the year to 30 June 2025 was 1.63%. Overall, the Company's total NAV reduced from £86.46m to £83.49m over the year due to distributions to shareholders via the dividend payment (£2.42m) and share buy-backs (£1.47m: reducing the number of shares in issue from 83.03m to 81.10m), offset by the net return from investments of £0.92m during the year under review.

The Company's NAV per share declined from 104.13p to 102.94p - including a 2.94p dividend payment - with a full performance bridge in the chart above.

In the year to 30 June 2025 the Company recorded gross revenue of £4.36m (2024: £3.49m) and net revenue after fees, costs and expenses of £3.40m (2024: £2.65m), providing a net revenue return per share of 4.15p (2024: 3.16p). The Company recorded losses on the fair value of investments of £2.17m and capitalised expenses of £0.31m, resulting in a total gross return of £2.19m, and total net return of £0.92m, or 1.13p per share.

The Company will pay a dividend of 3.76p per share (2024: 2.94p) on 19 December 2025, which represents a dividend yield of 3.65% based on the NAV at 30 June 2025 and a dividend yield of 5.45% based on the Company's share price as at close on 28 October 2025. This is above our guided dividend range of 2-3% yield on NAV per annum, due to a one-off income distribution from Bridges Inclusive Growth Fund. This dividend is wholly designated as an interest distribution.

The key drivers of financial performance in the year to 30 June 2025 were:

- Strong income generation across the asset classes, in particular Social Outcomes Contracts, the Rathbones Charity Bond Portfolio and a one-off income distribution from Bridges Inclusive Growth Fund from AgilityEco exit proceeds.
- A negative restructuring adjustment related to the Bridges Inclusive Growth Fund arising from the fund's conversion from an evergreen structure, Bridges Evergreen Holdings ("BEH") to a closed-ended vehicle.
- Valuation write-downs in the High Impact Housing portfolio, driven by market factors, primarily increases in discount rates, and changes of assumptions made by external valuers.
- By investment, the top positive contributors to performance were the Rathbones Charity Bond portfolio (1.10p per share) and the Bridges Social Outcome Fund II (0.69p per share), and the largest detractor to performance was the Man Community Housing Fund (-0.57p per share).

Impact

In December 2024, the Company started applying the SDR "Sustainability Impact" label. Adopting the SDR label is an example of the Company's commitment to operating in line with industry best standards and to continuous improvement. For example, through the SDR label adoption process, we identified the need to provide more transparency on the Liquidity Assets allocation's ESG performance. This was outlined in the Company's latest Impact Report. For more information, please see the consumer facing and pre contractual disclosures on the Company's website at http://www.schroders.com/sbsi. For more information on sustainability labels, please visit the FCA website at https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-and-labelling-regime.

The social impact performance of the portfolio was reported in the Company's fourth Impact Report (and the first under the new labelling regime) published in July 2025.

Portfolio exits

During the year, the Company agreed a second partial exit at NAV from RLPF1, amounting to £1.8m and reducing the Company's stake in the fund from 7.5% to 5.1%. The realised return on this investment was 6.0%, annualised since Company investment at inception in December 2020, in line with the fund target return. In addition, the Company received a repayment of the Abbeyfield York loan in the Charity Bank co-investment portfolio, amounting to £2.0m. The repayment was made in full, and the realised return on this exit was 8.7%, annualised since Company investment in October 2021, as the interest on the loan was at a margin to the BoE base rate.

The Bridges Social Outcomes Fund returned £1.0m of capital during the year, following successful achievement of outcomes/completion of multiple projects in the portfolio. These included notably AllChild (a tailored programme of mentoring and support for disadvantaged young people), Forward (which supports women who have experienced, or are at risk of, removals of children from their care) and Kirklees Better Outcomes Partnerships (supporting people at risk of homelessness). The investment period for the fund ended in July 2025, but the fund will continue to draw down capital for agreed expansions and continuations of existing contracts. The fund continues to deliver returns above its target rate.

Portfolio cash flows and balance sheet

During the year, net distributions from High Impact Investments were £5.6m, comprising new deployment of capital of £6.1m, and capital repayments of £11.7m (£6.1m of which are recallable distributions):

- In **Debt and Equity for Social Enterprises**:
  - BEH was restructured at the start of the year, transitioning to a closed-ended fund, and re-launched as Bridges Inclusive Growth Fund. As part of the change in structure, the fund returned £6.0m of capital from the AgilityEco exit proceeds to the Company, recallable to the fund for new investments into high-impact opportunities.
  - In the Charity Bank Co-investment portfolio, we received a full capital repayment of £2.0m for the Abbeyfield York loan.
  - Thera Trust repaid 10% of the amount outstanding of its charity bond (£172k).
- In **High Impact Housing**:
  - £3.8m was drawn by Simply Affordable Homes ("SAH"), managed by Savills Investment Management, a new commitment by the Company in March 2024. SAH aims to deliver affordable homes across the UK, with a focus on areas with high local authority waiting lists and areas ranked within the lowest parts of the Index of Multiple Deprivation. This drawdown was to acquire three portfolios of affordable housing across England, comprising 193 homes in SAH's seed portfolio, 143 homes in Heyford Park, and 105 homes near Blenheim, both of which are in Oxfordshire.
  - £1.2m was drawn by Man Community Housing Fund, deployed towards delivering more affordable and social housing in the UK.
  - £1.8m of capital was returned by RLPF1 to the Company following a second partial exit at NAV.
- Within **Social Outcomes Contracts**, £1.0m of capital was returned following successful project completion, and £0.27m of capital was drawn for further investment into new and existing projects for the delivery of public services in areas such as homelessness and healthcare.

Portfolio Allocation

The Company's investment objective is to deliver measurable positive social impact as well as long term capital growth and income, through investing in a diversified portfolio of Impact Funds, Managed Accounts, Co-Investments and Direct Investments, in each case so as to gain exposure to Social Impact Investments. "Social Impact Investments" are investments intended to have a positive social impact on people predominantly in the UK while providing a financial return to investors, including, but not limited to, High Impact Housing, Debt and Equity for Social Enterprises and Social Outcomes Contracts. Investments will be selected for their ability to contribute towards the reduction of poverty and inequality as well as addressing other critical social challenges in the UK. The Company aims to provide a Net Asset Value total return of CPI plus 2% per annum (once the portfolio is fully invested and averaged over a rolling three- to five- year period, net of fees) with low correlation to traditional quoted while making a significant contribution to addressing social issues in the UK.

A diversified asset allocation delivering local UK social impact

The Company delivers its investment objective through allocating to best-in-class social impact managers in private markets - with proven track records delivering high quality financial returns alongside measurable social impact for more disadvantaged groups in the UK. Investments that are committed but not yet drawn by private market funds are held in Liquidity Assets investments to mitigate cash drag during longer drawdown periods.

As at 30 June 2025, total commitments (drawn and undrawn) to High Impact Investments amounted to 98% of NAV, while the drawn portion of the commitments was at 84% of NAV (invested as % of NAV). Capital awaiting deployment into High Impact Investments is currently held in Liquidity Assets (including money market funds earning interest broadly in line with base rates) (17% of NAV). Undrawn commitments currently comprise 14% of NAV.

Providing access to a seasoned high impact portfolio

The Company has built a seasoned high impact portfolio that would be difficult for shareholders to access directly - through a combination of a seed portfolio and secondary investments from Better Society Capital, the Portfolio Manager, as well as its relationships and knowledge of the sector. This provides a greater allocation to more mature assets that will help drive future financial and impact performance. The Portfolio Manager's broader portfolio relationships offer additional fee benefits to Company shareholders - with 51% of the Company's portfolio with no or relationships offer additional fee benefits to Company shareholders - with [illegible] of the Company's portfolio with no or discounted management fees - from co-investments or fee discounts that the Portfolio Manager has negotiated, often through their role as initial cornerstone investor in funds.

Targeting inflation resilient returns

The Company aims to deliver an asset allocation that is resilient through periods of rising prices through targeting two-thirds of its asset allocation to assets that will benefit from inflation. These assets are:

- Property and renewables - with a mix of long-dated inflation-linked leases, shorter property leases where value is more driven by property prices, and smaller investments in community renewables in our Debt and Equity for Social Enterprises asset class. We also hold renewables investments in our Liquidity Assets portfolio.
- Equity investments - where the value is correlated with inflation, including through the use of Government contracts that have historically moved with inflation.
- Floating rate instruments which benefit from increases in the base rate (currently base rates are higher than inflation, and are expected to decrease).

As at 30 June 2025, the Company had committed 60% of its capital[7] to inflation sensitive assets. The remaining capital committed to High Impact Investments was allocated to fixed income securities such as charity bonds and Social Outcomes Contracts. The Company aims to minimise the duration of these fixed income assets, to allow reinvestment over time into the prevailing interest rate environment. Including the investments in Liquidity Assets, the Company's invested amount in assets that are linked or correlated with inflation is 67% of its capital.

Asset Types

To date the Company has underperformed its CPI+2% aim, with double digit inflation levels not being reflected in portfolio returns. The principal reasons for this have been regulatory lease caps for social housing, increases in discount rates, falls in real value of house prices and lags in inflation feeding through into new contracts. We expect to see future returns now benefiting as the lagged impact of higher inflation and rates feed across the portfolio, alongside the unwinding of higher discount rates now embedded in portfolio valuations.

Targeting low correlation to mainstream markets

The Company's asset allocation aims to achieve low correlation to mainstream markets by backing business models that are underpinned by Government expenditure and have been historically resilient through economic cycles. As at 30 June 2025, 69% of the committed portfolio (57% invested) is underpinned by Government-backed revenue streams. These revenue streams are themselves diversified across policy areas, such as housing, clean energy and fuel poverty, education, and redressing inequalities/ levelling up. This diversification reduces exposure to individual policy risk, such as the risk that Government or budgetary changes would significantly reduce or withdraw payments. The Company targets areas with a track record of delivering impact for more disadvantaged groups and generating savings for the public purse which provides additional revenue resilience. In the year to 30 June 2025, the Company's share price had a negative correlation with the FTSE All Share Index of -0.51 and since Company IPO, the share price had a negative correlation of -0.89 with the market index.

Recently and in the financial year, it has been noted that while the underlying portfolio of assets may be uncorrelated with mainstream markets, due to the listed nature of the Company, it remains exposed to other market sentiment challenges, in particular to the negative perception of investment trusts investing in alternatives. This has driven continued pressure on the share price.

In a challenging period for financial markets since the IPO in December 2020 the Company's portfolio performance has shown resilience, delivering a NAV Total Return per share of 11.98% (2.53% annualised), outperforming the ARC Cautious Index, which delivered a total return of 5.00% (1.08% annualised) over the same period.

Hermina Popa, Jeremy Rogers
Better Society Capital

28 October 2025

Principal Risks and Uncertainties

The Board, through its delegation to the Audit and Risk Committee, is responsible for the Company's framework of risk management and internal control and for reviewing its effectiveness. The Audit and Risk Committee has adopted a detailed matrix of principal risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis.

This framework assists the Audit and Risk Committee in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Both principal and emerging risks and the monitoring system are subject to regular review.

During the year, the Audit and Risk Committee discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. Directors monitored and discussed with the Manager, the Portfolio Manager and the Company Secretary emerging risks that could affect the Company. No emerging risks were identified.

Although the Board believes that it has a robust framework of internal control in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk. Actions taken by the Board and, where appropriate, its committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below. Both the principal and emerging risks and uncertainties and the monitoring framework are subject to robust assessment bi-annually or more frequently as required. The most recent assessment took place in October 2025. The Audit and Risk Committee concluded that the Company's risk management and internal control systems remain effective with no significant control failings or weaknesses identified. Further details of how the Audit and Risk Committee has reviewed the Company's risk management and internal control framework can be found on the next page and in the Audit and Risk Committee Report on pages 46 to 49.

The principal risks are set out below. Policy risk has been assessed separately compared to the prior year where it was disclosed as part of the economic, policy, and market risk.

The "Change" column in the table below highlights the Audit and Risk Committee's assessment of any increases or decreases in risk compared to the prior financial year after mitigation and management. The arrows show the risks as increased or decreased, and sideway arrows show risks as stable compared to the prior financial year.

Principal risk	**Mitigation and management**	**Change**
Strategic risk		Up
Investment objective is out of line with the requirements of investors or demand for the shares is not as great as the supply leading to a persistently large discount to NAV.	The appropriateness of the Company's investment remit is regularly reviewed and the success of the Company in meeting its stated objectives is monitored. Market feedback and share price information is monitored and the Board has implemented a buyback programme to manage the discount and provide liquidity. The long term strategic aim of the Company is to grow its shareholder base and improve liquidity. However, whilst the shares trade at a discount to NAV, new shares cannot be issued. The Board encourages shareholder contact and meetings are offered after the issue of results. In addition, the Manager, Portfolio Manager and Board continue to maintain an open and constructive dialogue with shareholders. The Board actively supports continued marketing and promotional activities. Such activities are the result of a collaboration of the Board and the Company's Manager as well as the Portfolio Manager. A target list of potential shareholders is monitored and updated. The Board monitors the Company's share price relative to its NAV and will buy back shares when the Company's shares trades at a discount. The Board has been active in using the buyback authority given by shareholders. In response to the Company's entrenched share price discount, the Board has initiated a strategic review to consider potential options for the Company's future, with an update to be provided at or before the Company's AGM on 17 December 2025.	
Continuity risk		Up
If in the two-year period ending on 31 December 2023, and in any two-year period following such date, the Company's ordinary shares have traded, on average, at a discount in excess of 10% to Net Asset Value per Share, the directors will propose an ordinary resolution at the Company's next AGM that the Company continues its business as presently constituted (the "Continuation Resolution"). The current period under assessment is the two-year	Given the average discount of 22.8% from 1 January 2024 to the date of this report, a vote will likely be triggered. If the Continuation Resolution is not passed, the directors will put forward proposals for the reconstruction or reorganisation of the Company, bearing in mind the liquidity of the Company's investments, as soon as reasonably practicable following the date on which the Continuation Resolution is not passed. However, the Board intends to convene a general meeting prior to the AGM in 2026 to table recommended proposals on the future of the Company.	

period to 31 December 2025. In the event that a vote was triggered shareholders would be provided with the opportunity to vote on whether the Company should continue in its present form at the AGM in 2026.		
Investment management risks		Stable
Poor investment performance against objective.	The Board monitors investment performance, investment risk and portfolio activity at each quarterly meeting. The AIFM and Portfolio Manager are subject to an annual review of their suitability as conducted by the Management Engagement Committee. The Portfolio Manager has extensive experience in selecting private Social Impact Investments and has a robust investment process. The Portfolio Manager makes investments according to a tested and robust process and based on the goal of achieving the target return. A pipeline of opportunities is vetted and reviewed, and significant care is taken in selecting high-quality investments. The Portfolio Manager receives regular management information and engages regularly with investees to monitor and ensure performance to plan. If performance is unsatisfactory over a prolonged period the Board may seek to replace the AIFM and/or the Portfolio Manager. Performance in the period was below the Company's stated return target due to difficult market conditions and some of the funds still being in their investment periods. The Portfolio Manager anticipates improving performance as assets mature, and has already seen income generation above expectations.	
		Down
Poor social impact performance against objective.	The Board reviews impact and publishes an annual impact report. The AIFM and Portfolio Manager are subject to an annual review of their suitability as conducted by the Management Engagement Committee. The Portfolio Manager has extensive experience in selecting private social impact investments and has a robust investment process which ensures that the anticipated positive impact of investee companies is realistic and achievable. The Portfolio Manager undertakes robust investment analysis on the context of proposals, impact outcomes, financial drivers, and associated risks. The Portfolio Manager receives regular management information and engages regularly with investees to monitor and ensure performance to plan. If performance is unsatisfactory over a prolonged period the Board may seek to replace the AIFM and/or the Portfolio Manager. The Company adopted the "Sustainability Impact" label which provides investors assurance on the rigour of the Company's impact measurement, management and reporting approach, and its commitment to operate in line with best industry standards.	
Liquidity risk		Down
Liquidity risks include those arising from existing investment commitments and capital calls and an inability to meet such calls due to lack of liquidity. They also include the risk of not being able to participate in new investments due to lack of available capital and the risks resulting from holding private equity investments which may not be readily realisable.	The Portfolio Manager is experienced in managing social impact investments and seeks to accurately time the realisation of Company's investments. Concentration limits imposed on single investments to minimise the size of positions. The Portfolio Manager can sell Liquidity Assets to meet investment commitments and capital calls. The Portfolio Manager will monitor and manage cashflows and expected capital calls. The Portfolio Manager will seek to manage cashflow such that the Company will be able to participate in follow-on fund-raises where appropriate.	
Valuation risk		Stable
Private market investments are more difficult to value than publicly traded securities. A lack of open market data and reliance on investee company projections may also make it more difficult to estimate fair value on a timely basis.	Contracts with investee companies and funds are drafted to include obligations to provide information to the Portfolio Manager in a timely manner, where possible. The Portfolio Manager and AIFM have extensive track records of valuing privately held investments. A valuation policy has been agreed by the AIFM and Portfolio Manager and includes a robust process for the valuation of assets, including consideration of the valuations provided by investee companies and the methodologies they	

	have used. Any changes to this policy must be approved by the Audit and Risk Committee. The Audit and Risk Committee reviews all valuations of unlisted investments and challenges the methodologies used by the Portfolio Manager and AIFM. The Audit and Risk Committee may also appoint an independent party to complete a valuation of the Company's assets.	
Cybersecurity risks		Stable
Each of the Company's service providers is at risk of cyber attack, data theft or disruption to their infrastructure which could have an effect on the services they provide to the Company. While the risk of financial loss by the Company is probably small, the risk of reputational damage and the risk of loss of control of sensitive information is more significant, for instance a GDPR breach. Many of the Company's service providers and the Board often have sensitive information regarding transactions or pricing and information regarded as inside information in regulatory terms. Data theft or data corruption per se is regarded as a lower order risk as relevant data is held in multiple locations.	The Board receives attestations/internal control reports from key service providers which provide assurance on the protective measures they take, as well as their business recovery plans.	
Economic and market risk		Stable
Changes in general economic and market conditions, such as interest rates, inflation rates, industry conditions, tax laws, political events and trends can substantially and adversely affect the value of investments. Market risk includes the potential impact of events which are outside the Company's control, such as pandemics, civil unrest and wars. These could have an adverse impact on the value of the Company's underlying investments or a reduction in the profits available for dividends.	The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets and Government policies are discussed with the Portfolio Manager. The Board receives information to enable an evaluation of the nature and extent of interest rate risk and other price risk and the Portfolio Manager, in conjunction with the Manager, assesses exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. The Company has no exposure to foreign exchange risk. The Company does not have any gearing.	
Policy risk		Stable
Policy risk includes the potential negative impact of changes in UK Government policies that affect the business models, revenue streams, or have other material implications for investees.	Policy risk is mitigated by working with organisations that have been successfully operating for several decades, navigating different policy environments, and making investments that benefit from some element of asset backing and engagement with all major political parties on social impact investments through the Portfolio Manager. The Portfolio Manager has dedicated resources to frequently engage at senior levels with the Government on matters relating to social impact policy and investment in the UK.	

Review of the Company's risk management and internal control framework

The AIC code of Corporate Governance requires the Board to have in place procedures to identify and manage emerging risks faced by the Company. The Board exercises oversight by monitoring the social impact investing market as it develops and innovates, competitor threats from the emergence of alternative investment products and market as it develops and innovates, competitor threats from the emergence of alternative investment products and trends in the investment trust market more generally. No new emerging risks have been identified in the year being reported.

The Audit and Risk Committee follows the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting by the Financial Reporting Council ("FRC") in reviewing the effectiveness of the Company's risk management and internal control framework.

The Audit and Risk Committee has reviewed the Company's principal risks and uncertainties and emerging risks and whether these fell within the Company's risk appetite through its bi-annual review of the risk matrix.

As the Company has no employees and acts through service providers, its culture is represented by the values and behaviour of the Board and the third parties to whom it delegates. The Board has determined that its culture is driven by the values of Transparency, Engagement and Rigour and the Management Engagement Committee reviews policies of services providers to ensure alignment with this culture.

The Audit and Risk Committee considered changes to the nature, likelihood, impact of risks and the key controls and responses to these risks. Key service providers' internal controls environments are considered as part of these discussions through reviews of independently assured internal control reports and attestations where appropriate. It was concluded that there has been no significant control failings or weaknesses identified for the year ended 30 June 2025 and up to the date of this report.

Following this review, the Audit and Risk Committee concluded that the Company's risk management and internal control framework, inclusive of its material controls, operated effectively as at 30 June 2025 and up to the date of this report.

Further details of how the Committee has reviewed the Company's risk management and internal controls framework can be found in the Audit and Risk Committee Report on pages 46 to 49.

A full analysis of the financial risks facing the Company is set out in note 21 to the financial statements on pages 76 to 79.

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

The directors are responsible for preparing the annual report and financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 for the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for ensuring that the annual report and financial statements taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Susannah Nicklin
Chair

28 October 2025

Income Statement

for the year ended 30 June 2025

	Note	2025 Revenue £'000	 Capital £'000	 Total £'000	2024 Revenue £'000	 Capital £'000	 Total £'000
Losses on investments held at fair value through profit or loss	2	-	(2,408)	(2,408)	-	(833)	(833)
Reversal of impairment provision/(impairment provision) on investments held at amortised cost		-	235	235	-	(413)	(413)
Income from investments	3	4,053	-	4,053	3,320	-	3,320
Other interest receivable and similar income	3	307	-	307	167	-	167
Gross return/(loss)		**4,360**	**(2,173)**	**2,187**	**3,487**	**(1,246)**	**2,241**
Investment management fees	4	(309)	(309)	(618)	(340)	(340)	(680)
Administrative expenses	5	(647)	-	(647)	(497)	-	(497)
Transaction costs		-	-	-	-	(15)	(15)
Net return/(loss) before taxation		**3,404**	**(2,482)**	**922**	**2,650**	**(1,601)**	**1,049**
Taxation	6	-	-	-	-	-	-
Net return/(loss) after taxation		**3,404**	**(2,482)**	**922**	**2,650**	**(1,601)**	**1,049**
Return/(loss) per share (pence)	**7**	**4.15**	**(3.02)**	**1.13**	**3.16**	**(1.91)**	**1.25**

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

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year (2024: none).

The notes on pages 67 to 79 form an integral part of these accounts.

Statement of Changes in Equity

for the year ended 30 June 2025

	Note	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 June 2023		853	10,571	72,319	3,019	1,991	88,753
Repurchase of the Company's own shares into treasury		-	-	(1,409)	-	-	(1,409)
Net (loss)/return after taxation		-	-	-	(1,601)	2,650	1,049
Dividends paid in the year	8	-	-	-	-	(1,934)	(1,934)
At 30 June 2024		**853**	**10,571**	**70,910**	**1,418**	**2,707**	**86,459**
Repurchase of the Company's own shares into treasury		-	-	(1,471)	-	-	(1,471)
Net (loss)/return after taxation		-	-	-	(2,482)	3,404	922
Dividends paid in the year	8	-	-	-	-	(2,423)	(2,423)
At 30 June 2025	**14**	**853**	**10,571**	**69,439**	**(1,064)**	**3,688**	**83,487**

The notes on pages 67 to 79 form an integral part of these accounts.

Balance Sheet

at 30 June 2025

	Note	2025 £'000	Restated 2024 £'000
Fixed assets			
Investments held at fair value through profit or loss*	9	51,781	58,781
Investments held at amortised cost*	9	21,700	24,072
		73,481	82,853
Current assets			
Debtors	10	423	562
Current asset investments	11	9,009	3,106
Cash at bank and in hand		1,057	514
		10,489	4,182
Current liabilities			
Creditors: amounts falling due within one year	12	(483)	(576)
Net current assets		**10,006**	**3,606**
Total assets less current liabilities		**83,487**	**86,459**
Net assets		**83,487**	**86,459**
Capital and reserves			
Called-up share capital	13	853	853
Share premium	14	10,571	10,571
Special reserve	14	69,439	70,910
Capital reserves	14	(1,064)	1,418
Revenue reserve	14	3,688	2,707
Total equity shareholders' funds		**83,487**	**86,459**
Net asset value per share (pence)	**15**	**102.94**	**104.13**

*For details of the prior period restatement, please refer to note 1(j).

These accounts were approved and authorised for issue by the Board of directors on 28 October 2025 and signed on its behalf by:

Susannah Nicklin

Chair

The notes on pages 67 to 79 form an integral part of these accounts.

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

Company registration number: 12902443

Cash Flow Statement

for the year ended 30 June 2025

	Note	2025 £'000	2024 £'000
Net cash inflow from operating activities	**16**	**2,878**	**1,957**
Investing activities			
Purchases of investments		(5,994)	(6,415)
Sales of investments		13,452	9,306
Net cash inflow from investing activities		**7,458**	**2,891**
Net cash inflow before financing		**10,336**	**4,848**
Financing activities			
Dividend paid		(2,423)	(1,934)
Repurchase of the Company's own shares into treasury		(1,467)	(1,383)
Net cash outflow from financing activities		**(3,890)**	**(3,317)**
Net cash inflow in the year		**6,446**	**1,531**
Cash and cash equivalents at the beginning of the year		**3,620**	**2,089**
Net cash inflow in the year		**6,446**	**1,531**
Cash and cash equivalents at the end of the year		**10,066**	**3,620**
Cash and cash equivalents comprise:			
Money market funds	11	9,009	3,106
Cash at bank and in hand		1,057	514
Cash and cash equivalents at the end of the year		**10,066**	**3,620**

Included in net cash inflow from operating activities are dividends received amounting to £1,230,000 (year ended 30 June 2024: £1,013,000), income from debt securities amounting to £2,505,000 (year ended 30 June 2024: £1,955,000) and other interest receivable and similar income amounting to £29,000 (year ended 30 June 2024: £33,000).

The notes on pages 67 to 79 form an integral part of these accounts.

Notes to the Financial Statements

1. Accounting policies

(a) Basis of accounting

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

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in July 2022. All of the Company's operations are of a continuing nature.

The directors have assessed the principal risks, the impact of the emerging risks and uncertainties and the matters referred to in the viability statement insofar as they apply within the going concern assessment period, being the period to 31 December 2026, which is at least 12 months from the date of approval of the financial statements.

The directors have taken into consideration the controls and monitoring processes in place, the Company's level of working capital, undrawn commitments and other payables, the level of operating expenses (a significant proportion which are variable costs and would reduce in the event of a market downturn), the Company's cash flow forecasts and the liquidity of the Company's investments. The directors have assessed the timing and quantum of cashflows from an orderly realisation of assets in the event that liquidity is required to be increased during the going concern assessment period. Additionally, the directors have considered the risk/impact of elevated and sustained inflation and interest rates and performed stress tests assessing the impact of a 50% fall in the market prices of the portfolio.

These factors do not affect the Board's conclusions in respect of going concern as they believe that the Company has sufficient assets to continue in operational existence and satisfy liabilities as they fall due.

The Company is undertaking a strategic review. The strategic review remains ongoing and given the potential for structural change, the directors consider that this introduces material uncertainty over the Company's future operations within the period that going concern is being assessed. The Board further notes that any change to investment policy and structure would be subject to the shareholders' approval and therefore not guaranteed. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. If shareholders vote for the Company not to continue operating in its normal course of business, then the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board intends to convene a general meeting prior to the AGM in 2026, and ahead of any Continuation Resolution, to table recommended proposals on the future of the Company. Although the directors will be looking to put forward proposals that have the broad support of shareholders, there can be no assurance that the proposals are accepted, or that any Continuation Resolution, should it be triggered, will pass.

The directors believe the use of the going concern basis is appropriate, as they believe that the Company has sufficient assets to continue in existence and satisfy liabilities as they fall due although the Board recognises that this conclusion is subject to the outcomes of the strategic review and shareholder approvals.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 June 2024.

Certain judgements, estimates and assumptions have been required in valuing the Company's investments and these are detailed in note 20 on pages 75 to 76.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. Investments with a fixed coupon and redemption amount are valued at amortised cost less any impairments in accordance with FRS 102. Other financial assets are managed and their performance evaluated on a fair value basis, in accordance with a documented investment objective and information is provided internally on that basis to the Company's Board of Directors. Upon initial recognition, these investments are designated by the Company as "held at fair value through profit or loss", included initially at cost and subsequently at fair value using the methodology below. This valuation process is consistent with International Private Equity and Venture Capital Guidelines issued in December 2022, which are intended to set out current best practice on the valuation of Private Capital investments.

(i) Quoted bid prices for investments traded in active markets.

(ii) The price of a recent investment, where there is considered to have been no material change in fair value.

(iii) Where it is felt that a milestone has been reached or a target achieved, the Company may use the price of a recent investment adjusted to reflect that change.

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

(v) Price earning multiples, based on comparable businesses.

(vi) Industry benchmarks, where available.

(vii) Discounted Cash Flow techniques, where reliable estimates of cash flows are available.

The above valuation methodologies are deemed to reflect the impact of climate change risk on the investments held.

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

(c) Accounting for reserves

Gains and losses on sales of investments and the management fee or finance costs allocated to capital, are included in the Income Statement and dealt with in capital reserves. Increases and decreases in the valuation of investments held at the year end and impairment provision of investments, are included in the Income Statement and in capital reserves within "Investment holding gains and losses".

For shares that are repurchased and held in treasury, the full cost is charged to the special reserve.

For a breakdown of reserves please refer to note 14 on pages 73 to 74.

(d) Income

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

Income from limited partnerships will be included in revenue on the income declaration date.

Income from fixed interest debt securities is recognised using the effective interest method.

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

(e) Expenses

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

- The management fee is allocated 50% to revenue and 50% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase of an investment are charged to capital. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 9(c) on page 72.

The underlying costs incurred by the Company's investments in collective funds are not included in the various expense disclosures.

(f) Financial instruments

Cash at bank and in hand comprises cash held in the bank. Current asset investments comprise investments in money market funds and highly liquid investments which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

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

Bank loans and overdrafts are initially measured at fair value and subsequently measured at amortised cost. They are recorded at the proceeds received net of direct issue costs. The Company had no bank loans or overdrafts at 30 June 2025 (2024: nil).

(g) Taxation

Taxation on ordinary activities comprises amounts expected to be received or paid.

Tax relief is allocated to expenses charged to the capital column of the Income Statement on the "marginal basis". On this basis, if taxable income is capable of being entirely offset by revenue expenses, then no tax relief is transferred to the capital column.

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

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

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

As the Company continues to meet the conditions required to retain its status as an Investment Trust, any capital gains or losses arising on the revaluation or disposal of investments are exempt.

(h) Value added tax (VAT)

Expenses are disclosed inclusive of the related irrecoverable VAT.

(i) Dividends payable

In accordance with FRS 102, dividends payable are included in the accounts in the year in which they are paid. Part, or all of any dividend declared may be designated as an "interest distribution", calculated in accordance with the investment trust income streaming rules and paid without deduction of any income tax.

(j) Prior Period Adjustment

An unquoted investment with a value of £3,540,000 that was classified as 'Investments held at fair value through profit or loss' has been restated to be classified as 'Investments held at amortised cost' for the year ended 30 June 2024. As such investments held at fair value through profit or loss for the year ended 30 June 2024 has decreased by £3,540,000, and investments held at amortised cost have increased by the same amount. There is no impact on other line items in the Balance Sheet, no impact on net asset value, nor on profit and loss.

2. Losses on investments held at fair value through profit or loss

	2025 £'000	2024 £'000
Gains/(losses) on sales of investments based on historic cost	69	(192)
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	(126)	304
(Losses)/gains on sales of investments based on the carrying value at the previous balance sheet date	**(57)**	**112**
Net movement in investment holding losses	(2,351)	(945)
Losses on investments held at fair value in the current year through profit or loss	**(2,408)**	**(833)**

3. Income

	2025 £'000	2024 £'000
Income from investments		
UK dividends	1,042	854
Overseas dividends	173	173
Interest income from debt securities and other financial assets	2,838	2,293
	4,053	3,320
Other interest receivable and similar income		
Deposit interest	290	147
Other income	17	20
	307	167
Total income	**4,360**	**3,487**

4. Investment management fees

	Revenue £'000	2025 Capital £'000	Total £'000	Revenue £'000	2024 Capital £'000	Total £'000
Investment management fees	**309**	**309**	**618**	**340**	**340**	**680**

The basis for calculating the investment management fees is set out in the Report of the Directors on page 43 and details of all amounts payable to the managers are given in note 18 on page 75.

5. Administrative expenses

	2025 £'000	2024 £'000
Other administrative expenses	433	292
Directors' fees[1]	145	139
Auditor's remuneration for the audit of the Company's annual accounts[2]	69	66

	647	**497**

1 Full details are given in the remuneration report on pages 53 to 55.

2 Includes VAT amounting to £12,000 (2024: £11,000).

6. Taxation

(a) Analysis of tax charge for the year

		2025			2024	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Taxation for the year	-	-	-	-	-	-

The Company has no corporation tax liability for the year ended 30 June 2025 (2024: nil).

(b) Factors affecting tax charge for the year

The factors affecting the current tax charge for the year are as follows:

		2025			2024	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) before taxation	3,404	(2,482)	922	2,650	(1,601)	1,049
Net return/(loss) before taxation multiplied by the Company's applicable						
rate of corporation tax for the year of 25% (2024: 25%)	851	(621)	230	663	(400)	263
Effects of:						
Capital losses on investments	-	543	543	-	311	311
Income not chargeable to corporation tax	(270)	-	(270)	(225)	-	(225)
Tax deductible interest distribution	(782)	-	(782)	(610)	-	(610)
Expenses not utilised in the current period	201	78	279	172	85	257
Expenses not deductible for corporation tax purposes	-	-	-	-	4	4
Taxation on ordinary activities	-	-	-	-	-	-

(c) Deferred tax

The Company has an unrecognised deferred tax asset of £686,000 (2024: £590,000) based on a prospective corporation tax rate of 25% (2024: 25%).

This deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

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

7. Return per share

	2025 £'000	2024 £'000
Revenue return	3,404	2,650
Capital loss	(2,482)	(1,601)
Total return	**922**	**1,049**
Weighted average number of shares in issue during the year	82,103,774	83,834,790
Revenue return per share (pence)	4.15	3.16
Capital loss per share (pence)	(3.02)	(1.91)
Total return per share (pence)	**1.13**	**1.25**

There are no dilutive instruments, the return per share is actual return.

8. Dividends

	2025 £'000	2024 £'000
2024 interim dividend of 2.94p (2023: 2.30p) paid out of revenue profits[1]	2,423	1,934

	2025 £'000	2024 £'000
2025 interim dividend proposed of 3.76p (2024: 2.94p), to be paid out of revenue profits	-	2,439

1 The 2024 interim dividend amounted to £2,439,000. However the amount actually paid was £2,423,000, as shares were repurchased into treasury after the accounting date but prior to the dividend record date.

The 2025 interim dividend is made up wholly of an interest distribution of 3.76p (2024: 2.94p, wholly of interest).

The interim dividend amounting to £3,049,471 (2024: £2,439,000) is the amount used for the basis of determining whether the Company has satisfied the distribution requirements of Section 1158 of the Corporation Tax Act 2010. The revenue available for distribution by way of dividend for the year is £3,404,000 (2024: £2,650,000).

9. Fixed assets

(a) Movement in investments

	2025			Restated 2024		
	Investments held at fair value through profit or loss £'000	**Investments held at amortised cost £'000**	**Total £'000**	**Investments held at fair value through profit or loss £'000**	**Investments held at amortised cost £'000**	**Total £'000**
Opening book cost	**55,067**	**24,072**	**79,139**	**59,844**	**22,583**	**82,427**
Opening investment holding gains	3,714	-	3,714	4,355	-	4,355
Opening fair value	**58,781**	**24,072**	**82,853**	**64,199**	**22,583**	**86,782**
Purchases at cost	6,178	75	6,253	2,063*	4,560*	6,623
Sales proceeds	(10,770)	(2,682)	(13,452)	(6,648)	(2,658)	(9,306)
Reversal of impairment provision/(impairment provision) on						
investments held at amortised cost	-	235	235	-	(413)	(413)
Losses on investments held at fair value through profit or loss	(2,408)	-	(2,408)	(833)	-	(833)
Closing fair value	**51,781**	**21,700**	**73,481**	**58,781**	**24,072**	**82,853**
Closing book cost	50,544	21,700	72,244	55,067	24,072	79,139
Closing investment holding gains	1,237	-	1,237	3,714	-	3,714
Closing fair value	**51,781**	**21,700**	**73,481**	**58,781**	**24,072**	**82,853**

*For details of the prior period restatement, please refer to note 1(j).

The Company received £13,452,000 (2024: £9,306,000) from disposal of investments in the year. The book cost of these investments when they were purchased was £13,383,000 (2024: £9,911,000) These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the value of the investments.

(b) Unquoted investments, including investments quoted in inactive markets

Material revaluations of unquoted investments during the year ended 30 June 2025	**Opening valuation at 30 June 2024 £'000**	**Purchases £'000**	**Revaluation £'000**	**Distributions £'000**	**Closing valuation at 30 June 2025 £'000**
Investment					
Bridges Inclusive Growth Fund LP	11,482	567	(978)	(6,003)	5,068
Man GPM RI Community Housing 1 LP	8,168	1,159	(469)	-	8,858
Resonance Real Lettings Property Fund LP	5,779	-	(407)	(1,804)	3,568
Bridges Social Outcomes Fund II LP	2,722	272	(316)	(1,006)	1,672

Material revaluations of unquoted investments during the year ended 30 June 2024	**Opening valuation at 30 June 2023 £'000**	**Purchases £'000**	**Revaluation £'000**	**Distributions £'000**	**Closing valuation at 30 June 2024 £'000**
Investment					
Bridges Inclusive Growth Fund LP (formerly Bridges Evergreen Capital LP)	12,750	-	(1,268)	-	11,482
Resonance Real Lettings Property Fund LP	5,476	-	303	-	5,779
Bridges Social Outcomes Fund II LP	4,271	219	134	(1,902)	2,722

Material disposals of unquoted investments during the year	Book cost £'000	2025 Sales proceeds £'000	Realised gain/(loss) £'000
Investment			
Bridges Inclusive Growth Fund LP	6,003	6,003	-
Charity Bank Co-Invest Portfolio: Abbeyfield York 3.6% 12/05/2049	2,000	2,000	-
Resonance Real Lettings Property Fund LP	1,804	1,804	-
Bridges Social Outcomes Fund II LP	1,006	1,006	-

Material disposals of unquoted investments during the year	Book cost £'000	2024 Sales proceeds £'000	Realised gain/(loss) £'000
Investment			
Charity Bank Co Invest Portfolio: Sue Ryder FRN 04/12/2043	2,440	2,440	-
Bridges Social Outcomes Fund II LP	1,902	1,902	-
Community Investment Fund	1,220	1,220	-

(c) Transaction costs

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

	2025 £'000	2024 £'000
On acquisitions	-	15
On disposals	4	-
	4	**15**

10. Current assets

Debtors	2025 £'000	2024 £'000
Dividends and interest receivable	409	545
Other debtors	14	17
	423	**562**

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

11. Current asset investments

	2025 £'000	2024 £'000
Money market funds	9,009	3,106
	9,009	**3,106**

As at 30 June 2025, the Company held units in the HSBC Sterling ESG Liquidity Fund with a fair value of £9,009,000 (2024: £3,106,000).

12. Current liabilities

Creditors: amounts falling due within one year	2025 £'000	2024 £'000
Repurchase of the Company's own shares into treasury awaiting settlement	30	26
Other creditors and accruals	453	550
	483	**576**

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

13. Called-up share capital

	2025 £'000	2024 £'000
Ordinary Shares of 1p each, allotted, called up and fully paid:		
Opening balance of 83,029,661 (2024: 84,604,866) shares	830	846
Repurchase of 1,926,722 (2024: 1,575,205) shares into treasury	(19)	(16)
Subtotal of 81,102,939 (2024: 83,029,661) shares	**811**	**830**
4,213,647 (2024: 2,286,925) shares held in treasury	42	23
Closing balance[1]	**853**	**853**

1 Represents 85,316,586 (2024: 85,316,586) shares of 1p each, including 4,213,647 (2024: 2,286,925) held in treasury.

During the year, the Company repurchased 1,926,722 (2024: 1,575,205) of its own shares, nominal value £19,267 (2024: £15,752) to hold in treasury, representing 2.32% (2024: 1.86%) of the shares outstanding at the beginning of the year. The total consideration paid for these shares amounted to £1,471,000 (2024: £1,409,000). The reason for these purchases was to seek to manage the volatility of the share price discount to NAV per share.

14. Reserves

	Capital & Reserves				
Year ended 30 June 2025	**Share premium[1] £'000**	**Special reserve[2] £'000**	**Gains and losses on sales of investments[3] £'000**	**Investment holding gains and losses[4] £'000**	**Revenue reserve[5] £'000**
Opening balance as at 1 July 2024	10,571	70,910	(2,296)	3,714	2,707
Losses on sales of investments based on the carrying value at the previous					
balance sheet date	-	-	(57)	-	-
Net movement in investment holding losses	-	-	-	(2,351)	-
Transfer on disposal of investments	-	-	126	(126)	-
Reversal of impairment provision on investments	-	-	235	-	-
Repurchase of the Company's own shares into treasury	-	(1,471)	-	-	-
Management fees allocated to capital	-	-	(309)	-	-
Dividends paid	-	-	-	-	(2,423)
Retained revenue for the year	-	-	-	-	3,404
Closing balance as at 30 June 2025	**10,571**	**69,439**	**(2,301)**	**1,237**	**3,688**

1 Share premium is a non distributable reserve and represents the amount by which the fair value of the consideration received from shares issued exceeds the nominal value of shares issued.

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

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

4 This is an undistributable reserve which consists of unrealised gains and losses as a result of revaluations of investments held as at year end.

5 The revenue reserve may be distributed as dividends or used to repurchase the Company's own shares.

	Capital & Reserves				
Year ended 30 June 2024	**Share premium[1] £'000**	**Special reserve[2] £'000**	**Gains and losses on sales of investments[3] £'000**	**Investment holding gains and losses[4] £'000**	**Revenue reserve[5] £'000**
Opening balance	10,571	72,319	(1,336)	4,355	1,991
Gains on sales of investments based on the carrying value at the previous					
balance sheet date	-	-	112	-	-
Net movement in investment holding losses	-	-	-	(945)	-
Transfer on disposal of investments	-	-	(304)	304	-
Impairment losses on investments	-	-	(413)	-	-
Repurchase of the Company's own shares into treasury	-	(1,409)	-	-	-
Management fees allocated to capital	-	-	(340)	-	-
Transaction costs	-	-	(15)	-	-
Dividends paid	-	-	-	-	(1,934)
Retained revenue for the year	-	-	-	-	2,650
Closing balance	**10,571**	**70,910**	**(2,296)**	**3,714**	**2,707**

The Company's articles of association permit dividend distributions out of realised capital profits. Total distributable reserves as at 30 June 2025 were £70,826,000 (30 June 2024: £71,321,000).

1 Share premium is a non distributable reserve and represents the amount by which the fair value of the consideration received from shares issued exceeds the nominal value of shares issued.

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

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

4 This is an undistributable reserve which consists of unrealised gains and losses as a result of revaluations of investments held as at year end.

5 The revenue reserve may be distributed as dividends or used to repurchase the Company's own shares.

15. Net asset value per share

	2025	2024
Net assets attributable to shareholders (£'000)	83,487	86,459
Shares in issue at the year end	81,102,939	83,029,661
Net asset value per share (pence)	**102.94**	**104.13**

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

	2025 £'000	2024 £'000
Total return before taxation	922	1,049
Add capital loss before taxation	2,482	1,601
Less accumulation dividends[1] and capitalised fixed interest	(259)	(208)
Decrease/(increase) in accrued income	136	(163)
Decrease in other debtors	3	2
(Decrease)/increase in other creditors	(97)	31
Management fee and transaction costs allocated to capital	(309)	(355)
Net cash inflow from operating activities	**2,878**	**1,957**

1 Accumulation dividends are capitalised to investments.

17. Uncalled capital commitments

At 30 June 2025, the Company had uncalled capital commitments amounting to £11,825,000 (2024: £12,174,000) in respect of follow-on investments, which may be drawn down or called by investee entities, subject to standard notice periods.

18. Transactions with the Manager

Under the terms of the Alternative Investment Fund Manager Agreement, the Manager is entitled to receive a management fee. Details of the basis of the calculation are given in the Directors' Report on page 43.

The fee payable to the Manager in respect of the year ended 30 June 2025 amounted to £562,000 (2024: £624,000), of which £290,000 (2024: £307,000) was outstanding at the year end. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee.

Under the terms of the Investment Management Agreement, the Manager may reclaim from the Company certain expenses paid by the Manager on behalf of the Company to HSBC in connection with accounting and administrative services provided to the Company. These charges amounted to £89,000 for the year ended 30 June 2025 (2024: £79,000), of which £40,000 (2024: £66,000) was outstanding at the year end.

No director of the Company served as a director of any company within the Schroder Group at any time during the year, or prior period.

In accordance with the terms of a discretionary mandate between the Company, Better Society Capital Limited, Rathbone Investment Management Limited and The Charity Bank Limited are entitled to receive a management fee for portfolio management services relating to certain of the Company's investments.

The fee payable to Rathbone in respect of the year ended 30 June 2025 amounted to £54,000 (2024: £54,000), of which £14,000 (2024: £13,000) was outstanding at the year end. The fee payable to The Charity Bank Limited in respect of the year ended 30 June 2025 amounted to £2,000 (2024: £2,000), of which £nil was outstanding at the year end (2024: £nil).

19. Related party transactions

Details of the remuneration payable to directors are given in the Directors' Remuneration Report on page 54 and details of Directors' shareholdings are given in the Directors' Remuneration Report on page 55. Details of transactions with the Managers are given in note 18 above.

There have been no other transactions with related parties during the year (2024: there was a smaller related party transaction for the purposes of the Listing Rules as then in force in relation to the debt investment in Community Energy Together Limited, The Company's debt investment in Community Energy Together Limited was valued at £3.5m and comprised 4.1% of the Company's investment portfolio as of 30 June 2024, was made by way of the sale of a £3.6m direct junior loan to Community Energy Together Limited, previously owned by the Portfolio Manager. After the sale, the Portfolio Manager held a £2.4m investment in the same entity through a junior loan, compared to £6.0m before the sale).

20. Disclosures regarding financial instruments measured at fair value

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

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

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

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

Level 3 - valued using inputs that are unobservable.

Details of the Company's policy for valuing investments are given in note 1(b) on pages 67 to 68.

Level 3 investments have been valued in accordance with note 1(b)(ii) to (vii).

The Company's unlisted investments held at fair value are valued using a variety of techniques consistent with the recommendations set out in the International Private Equity and Venture Capital guidelines. Investments in third-party managed funds were valued by reference to the most recent net asset value provided by the relevant manager. The valuation methods adopted by third-party managers include using comparable company multiples, net asset values, assessment of comparable company performance and assessment of milestone achievement at the investee. For certain investments, such as High Impact Housing, the third-party manager may appoint external valuers to periodically value the underlying portfolio of assets. The valuations of third-party managed funds will also be subject to an annual audit. The valuations of all investments are considered by the Portfolio Manager and recommended to the AIFM, who in turn recommends them to the Company. Where it is deemed appropriate, the Portfolio Manager may recommend an adjusted valuation to the extent that the adjusted valuation represents the Portfolio Manager's view of fair value.

At 30 June, the Company's fixed asset investments held at fair value, were categorised as follows:

	2025 £'000	Restated 2024 £'000
Level 1	3,123	5,928
Level 2	942	-
Level 3	47,716	52,853*
Total	**51,781**	**58,781**

*For details of the prior period restatement, please refer to note 1(j).

There have been no transfers between Levels 1, 2 or 3 during the year (2024: nil).

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

	2025 £'000	Restated 2024 £'000
Opening book cost	48,567	49,908
Opening investment holding gains	4,286	4,949
Opening fair value of Level 3 investments	52,853	54,857
Purchases at cost	6,051	1,852*
Sales proceeds	(9,047)	(3,193)
Net losses on investments	(2,141)	(663)
Closing fair value of Level 3 investments	**47,716**	**52,853**
Closing book cost	45,571	48,567*
Closing investment holding gains	2,145	4,286
Closing fair value of Level 3 investments	**47,716**	**52,853**

*For details of the prior period restatement, please refer to note 1(j).

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

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

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

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

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

(a) Market risk

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

The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Interest rate risk

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

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company may borrow from time to time, but gearing will not exceed 20% of net asset value at the time of drawing. Gearing is defined as borrowings less cash, expressed as a percentage of net assets. The Company had an arranged overdraft facility to a limit of £5m with HSBC Bank plc. This expired on 30 November 2024. Due to the transition of the Depositary, Administration and Custody services of the Company from HSBC Bank plc to J.P. Morgan Europe Limited and JPMorgan Chase Bank, N.A., London Branch effective 30 September 2025, this overdraft facility was not renegotiated.

The overdraft facility has not been utilised during the current or prior year.

Interest rate exposure

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

Exposure to floating interest rates:	**2025 £'000**	**2024 £'000**
Investments carrying a floating interest rate coupon	1,790	3,966
Current asset investments	9,009	3,106
Cash at bank and in hand	1,057	514
	11,856	**7,586**

Sterling cash balances at call earn interest at floating rates based on the Sterling Overnight Interest Average rates ("SONIA").

The above year end amounts are broadly representative of the exposure to interest rates during the year and prior year.

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 0.75% (2024: 0.75%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

	2025		**2024**	
Income statement - return after taxation	**0.75% increase in rate £'000**	**0.75% decrease in rate £'000**	**0.75% increase in rate £'000**	**0.75% decrease in rate £'000**
Revenue return	89	(89)	57	(57)
Capital return	-	-	-	-
Total return after taxation	89	(89)	57	(57)
Net Assets	**89**	**(89)**	**57**	**(57)**

(ii) Other price risk

(ii) Other price risk

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

Management of other price risk

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

Market price risk exposure

The Company's total exposure to changes in market prices at 30 June comprises the following:

	2025 £'000	Restated 2024 £'000
Investments held at fair value through profit or loss	51,781	58,781*

*For details of the prior period restatement, please refer to note 1(j).

The above data is broadly representative of the exposure of the Company's fixed asset investments held at fair value to market price risk during the year.

Concentration of exposure to market price risk

An analysis of the Company's investments is given on page 22. This shows a concentration of exposure to the social housing sector in the United Kingdom.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 10% in the fair values of the Company's fixed asset investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's exposure to the underlying investments and includes the impact on the management fee but assumes that all other variables are held constant.

	2025		Restated 2024	
Income statement - return after taxation	**10% increase in fair value £'000**	**10% decrease in fair value £'000**	**10% increase in fair value £'000**	**10% decrease in fair value £'000**
Revenue return	(21)	21	(24)*	24*
Capital return	5,157	(5,157)	5,854*	(5,854)*
Total return after taxation and net assets	**5,136**	**(5,136)**	**5,830**	**(5,830)**
Percentage change in net asset value (%)	**6.2**	**(6.2)**	**6.7**	**(6.7)**

*For details of the prior period restatement, please refer to note 1(j).

(b) Liquidity risk

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

Management of the risk

The Portfolio Manager monitors the cash position to ensure sufficient is available to meet the Company's financial obligations. For this purpose, the Portfolio Manager may retain up to 20% of net assets in Liquid Assets, other liquid investments and a reserve of cash. The Company also had an overdraft facility with HSBC Bank plc, which expired on 30 November 2024.

Liquidity risk exposure

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

Creditors: amounts falling due within one year	**2025 Three months or less £'000**	**2024 Three months or less £'000**
Other creditors and accruals	(483)	(576)
	(483)	(576)

(c) Credit risk

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

Credit risk exposure

The Company is exposed to credit risk principally from debt securities held, off balance sheet commitments, loans and receivables and cash deposits.

Portfolio dealing

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

Exposure to the custodian

Throughout the financial year ended 30 June 2025, the custodian of the Company's assets was HSBC Bank plc which has long-term Credit Ratings of AA- with Fitch and Aa3 with Moody's.

Any assets held by the custodian will be held in accounts which are segregated from the custodian's own trading assets. If the custodian were to become insolvent, the Company's right of ownership of those investments is clear and they are therefore protected. However the Company's cash balances are all deposited with the custodian as banker and held on the custodian's balance sheet. Accordingly, in accordance with usual banking practice, the Company will rank as a general creditor to the custodian in respect of cash balances.

Exposure to debt securities

The Portfolio Manager's investment process ensures that potential investments are subject to robust analysis, appropriate due diligence and approval by an investment committee. Pre-investment checks are made to prevent breach of the Company's investment limits, which are designed to ensure a diversified portfolio to manage risk. Debt securities are subject to continuous monitoring and quarterly reports are presented to the Board.

Credit risk exposure

The following amounts shown in the Balance Sheet, represent the maximum exposure to credit risk at the year end:

	2025		Restated 2024	
	Balance sheet £'000	**Maximum exposure £'000**	**Balance sheet £'000**	**Maximum exposure £'000**
Fixed assets				
Investments held at fair value through profit or loss	51,781	-	58,781*	-*
Investments held at amortised cost (debt securities)	21,700	21,700	24,072*	24,072*
Current assets				
Debtors	423	423	562	562
Current asset investments	9,009	9,009	3,106	3,106
Cash at bank and in hand	1,057	1,057	514	514
	83,970	**32,189**	**87,035**	**28,254**

*For details of the prior period restatement, please refer to note 1(j).

At 30 June 2025, the Company had an off-balance sheet credit exposure consisting of uncalled capital commitments which amounted to £11,825,000 (2024: £12,174,000) in respect of follow-on investments.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried in the balance sheet at fair value, or the balance sheet amount is a reasonable approximation of fair value.

22. Capital management policies and procedures

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

The Company's capital structure comprises the following:

Equity	**2025 £'000**	**2024 £'000**
Called-up share capital	853	853
Reserves	82,634	85,606
Total equity	**83,487**	**86,459**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on

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

- the possible use of gearing, which will take into account the Manager's views on the market;
- the potential benefit of repurchasing the Company's own shares for cancellation or holding in treasury, which will take into account the share price discount;
- the opportunity for issue of new shares; and
- the amount of dividend to be paid, in excess of that which is required to be distributed.

23. Events after the accounting date that have not been reflected in the financial statements

The Depositary, Administration and Custody services of the Company transitioned from HSBC Bank plc to J.P. Morgan Europe Limited and JPMorgan Chase Bank, N.A., London Branch effective 30 September 2025.

There have been no other events we are aware of since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of note.