RNS Number : 9505G
Schroder Income Growth Fund PLC
11 November 2025

SCHRODER INCOME GROWTH FUND PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

Schroder Income Growth Fund plc ("the Company") hereby submits its annual report and financial statements for the year ended 31 August 2025 as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.1.

Ewen Cameron Watt, Chairman of the Company, commented:

"Both your Board and Investment Manager are confident that the portfolio is well positioned to continue delivering real growth of income and competitive total returns. Our diversified income base, disciplined stock selection, and long history of successfully navigating varied market cycles provide a solid foundation as your Company enters a fourth decade."

Key highlights

- The Company achieved an NAV total return of 9.6% and a share price total return of 12.9%, benefiting from a narrowing discount to NAV.
- Total income from dividends increased by 6.1%. This year marks the 30th consecutive year of dividend increases, maintaining AIC dividend hero status and demonstrating a resilient investment approach.
- Since Sue Noffke assumed responsibility for the portfolio in July 2011, NAV and share price total returns rose by 197.9% and 200.8% respectively, ahead of the FTSE All-Share Index's 168.0% return over the same period.
- The Board will propose a resolution at the AGM to continue as an investment trust for another five years.

Results webinar

Join the Company's Portfolio Manager, Sue Noffke, for a webinar reporting on the year ended 31 August 2025 and to discuss the outlook for the Company's portfolio. The webinar will take place at 9:00am on Thursday, 13 November 2025. Registration is available at https://www.schroders.events/SCF25

The Company's annual report and financial statements for the year ended 31 August 2025 is being published in hard copy format and an electronic copy will shortly be available to download from the Company's web pages www.schroders.com/incomegrowth

The Company's annual report and financial statements, including the Notice of Annual General Meeting, will shortly be uploaded to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism. A separate announcement will be released once this has taken place.

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Chairman's Statement

I am pleased to present the annual results of Schroder Income Growth Fund plc for the year ended 31 August 2025. Despite facing external challenges throughout the year, UK equities have continued to deliver attractive returns. During the year, your Board has achieved material improvements in fees and discount management policy which are laid out further below.

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Performance

During the year under review, your Company achieved an NAV total return of 9.6%, while the share price total return reached 12.9%, benefitting from a narrowing discount to NAV. This compares favourably with the FTSE All-Share Total Return Index, which delivered a return of 12.6% over the same period. Portfolio income saw an increase of 6.1% over the year, following a decline in the previous period. This recovery is encouraging, especially in the context of subdued dividend growth across the broader UK market. Such conditions reflect the growing trend towards share buybacks and the impact of a weaker dollar on overseas earnings.

Your Company marked the milestone of its 30th consecutive year of dividend increases, having raised its dividend every year since launch. This consistent track record places your Company among the AIC's dividend heroes and reflects the careful use of reserves and the resilience of our investment approach. Since Sue Noffke assumed responsibility for the portfolio in July 2011, NAV and share price total returns have risen by 197.9% and 200.8% respectively, significantly ahead of the FTSE All-Share Index's return of 168.0% over the same period.

As your Board, we remain focused on protecting shareholders' interests and proactively engage in regular discussions with your Investment Manager to review investment performance. For further details, please refer to the Investment Manager's Review on page 12 of the full annual report and financial statements.

Revenue, dividends, and smoother distribution

Dividends per share for the financial year amounted to 14.70p, representing a 3.5% increase over the previous year. Your Company's principal objective is to provide income growth above the rate of inflation, and capital growth as a result of rising income. Over both 10- and 30-year periods, dividends have outpaced inflation, ensuring shareholders' income has grown in real terms. Earnings per share rose by 7.8% to 12.55p compared to the prior period. The dividend of 14.70p was 0.85x covered by earnings. Upon payment of the fourth interim dividend on 31 October 2025, the revenue reserve stood at £4.3 million, equivalent to 6.33p per ordinary share or more than five months of the annual dividend.

In December 2024, your Board outlined its intention to deliver a smoother dividend distribution for the 2025 financial year. In line with this commitment, the first, second, and third interim dividends were increased from 2.5 pence per share for the 2024 financial year to 3.25 pence per share for the 2025 financial year. This change allowed shareholders to receive a larger proportion of the total dividend earlier in the year through the first three interim payments.

Whilst your Board recognises that the environment for income generation, both in the UK and globally, has changed considerably, we are committed to supporting shareholders through a progressive dividend policy. It is becoming more challenging for dividend income alone to bridge the gap between earnings per share and the dividend level sought by your Board, particularly when aiming to increase the annual dividend. Several factors contribute to this: companies are now more prudent, demonstrating higher dividend cover and lower payout ratios than previously; many are focusing on share buybacks rather than dividend increases; special dividends have reverted to more sustainable levels; and financing costs have risen as interest rates have normalised.

This is not the first occasion on which your Company has drawn on reserves to enhance the dividend. Although the ability of investment trusts to smooth income by managing reserves carefully is a key advantage over open-ended funds, your Board is mindful that using these reserves must be approached prudently and is not a substitute for growing underlying income. Notwithstanding the challenges, your Company remains in a robust position, with healthy total distributable reserves and good underlying income growth per share, both of which continue to support a progressive dividend policy and the Company's principal objectives. Over the longer term, your Company has consistently achieved its objective of real income growth above inflation and your Board remains focused on this target.

Enhancing shareholder returns

Your Board's principal purpose is to act in shareholders' interests. This responsibility includes taking measures to manage costs - which are after all a tax on investment returns. In this respect, I am pleased to report on some material actions taken this year to enhance returns for shareholders. These can broadly be divided between fee reductions and discount management.

Investment fee reduction

In May 2025, your Board was pleased to announce that with effect from 1 September 2025, your Company's investment management fee would be reduced from 0.45% to 0.40%, and that the separate fee for company secretarial and administration services would be removed. Just as importantly, the basis on which fees were charged would be adjusted from a charge on NAV to the lower of market capitalisation or NAV. As a result, if the shares trade at a discount to NAV, this is an additional benefit to shareholders. This change introduces a fee structure and a total expense ratio that are highly competitive within the industry. These adjustments are expected to enhance returns per share. Since I joined your Board in 2017, we have reduced the rate for investment management services, the largest single component of costs, by more than 45%.

Discount management

In May 2025, your Board also unveiled a more active approach to managing the volatility and level of the share price discount to NAV, seeking to keep the discount within single digits in normal market conditions. The average share price discount to NAV was 10.0% during the year, closing at 8.2% at the financial year end. Your Board continues to monitor the discount closely and, when appropriate, implements share buybacks. Over the year, your Company repurchased 1,406,191 ordinary shares to be held in treasury, representing 2.0% of the issued share capital, for a total consideration of £4,286,077. The average price paid per share was £3.08. In the financial year 2025, your Company's share repurchases contributed to a 0.18% accretion in NAV. Your Board will continue to buy back shares when this action meaningfully enhances asset value per share. As at 6 November 2025, your Company's share price discount to NAV was 8.2%.

Gearing

Your Company has a one-year £30 million revolving credit facility with The Bank of Nova Scotia, London Branch, effective from September 2025. The average level of gearing during the year was 12.1%, with your Company finishing the year with gearing at 10.4%. Even in a higher interest rate environment in 2024/5, gearing has contributed positively to returns by 1.1%. Recent rate cuts and a renegotiated loan agreement mean that, all other things being equal, finance charges will be lower this year.

Continuation vote

As stipulated in your Company's Articles of Association, your Board will propose a resolution at the forthcoming Annual General Meeting for your Company to continue as an investment trust for another five years.

These are times of considerable change and scrutiny of the investment trust sector. Your Board has debated these industry changes long and hard. Our view that continuation is justified has, at its core, considerations of potential shareholder outcomes. We believe these are a function of the overall investment opportunity, associated costs, maximisation of your Company's balance sheet to support dividend growth, and the commitment of your Manager to UK equity management.

The UK equity market remains one of the cheapest major stock markets. Cheapness in itself does not guarantee future returns. However, the UK market offers diversification of the highly concentrated US market where a handful of stocks dominate overall returns. UK company management recognises this opportunity, with the highest level of share buybacks among major stock markets to existing market capitalisation. We see this as a vote of confidence in the medium-term outlook.

One of your Company's aims is to raise dividends paid to you in real terms. There is, we think, an excessive focus on revenue reserves in assessing prospects for such growth. Most major investment sectors focus on pay outs to their beneficiaries based on total return, which is capital plus income received. We agree with this approach, taking the view that all reserves generated from investment returns are available for shareholders. As such we note that future dividends for your Company should logically be based on total distributable reserves. These include capital reserves of £208,571,000, revenue reserves of £7,673,000 (as at 31 August 2025), and inflows generated by your Investment Manager. We do not believe that your best interests are served by buying the highest yielding shares in the market irrespective of their ability to grow dividends and history supports this belief.

Your Board believes that your Investment Manager is well qualified and suited to manage the portfolio and help your Company achieve its investment objectives. Under the leadership of Sue Noffke, Schroders' Head of UK Equities, and her experienced team, your Company has demonstrated strong dividend growth deriving from successful stock-picking, and consistent value creation across companies of all sizes. This expertise has enabled reliable dividend growth for shareholders for three decades, allowing them to benefit from the compounding effect over the long-term. Since Sue Noffke took over management of the portfolio in July 2011, your Company has outperformed the FTSE All-Share Total Return Index by 29.9%, delivering an annualised rate of 8.0%. Your Board also believes your Company is competitively positioned within its peer group and its structure continues to provide significant benefits to shareholders.

Lastly, there is much talk about the benefits of greater size of investment companies. Lots of larger investment companies do not have materially different shareholder profiles from smaller siblings. Your Board is not blind to the argument that there are too many competing funds in sectors, including UK equity income, to allow for differentiation and therefore the possibility of future shrinkage in the number of funds. We simply believe that this process should be driven by considerations of potential returns per share. We have a fiduciary duty to you as shareholders to assess any opportunity or approach purely in terms of overall shareholder interests and this guides us in any consideration of structural change.

Accordingly, your Board unanimously recommends the continuation of your Company as an investment trust for the next five years, and the Directors intend to vote their shares in favour of continuation.

Annual General Meeting ("AGM")

Your Company's 2025 AGM will be held at 12.30pm on Thursday, 11 December 2025 at 1 London Wall Place, London, EC2Y 5AU. Your Board strongly encourages shareholders to attend and participate. Attendees will have the opportunity to hear a presentation from your Investment Manager, and light refreshments will be available.

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All voting will be conducted by poll. Shareholders are encouraged to register their vote with your Company's registrar, either online or via paper proxy forms, and to appoint the Chair of the meeting as their proxy. Even if you are unable to attend the AGM in person, you are still able to have your say by submitting your vote in advance. Further details on voting procedures can be found in the Notice of Meeting on pages 81 to 83 of the full annual report and financial statements. Any questions for your Board may be submitted by email to amcompanysecretary@schroders.com prior to the AGM.

For ongoing updates about your Company, shareholders are invited to sign up to the Manager's investment trusts update, available at https://schro.link/scf_subscribe

Results webinar

Shareholders are invited to join your Investment Manager, Sue Noffke, for a webinar reporting on the year ended 31 August 2025 and to discuss the outlook for your Company's portfolio. The presentation will be followed by a live Q&A session.

The webinar will take place at 9:00am on Thursday, 13 November 2025. Registration is available at https://www.schroders.events/SCF25

Outlook

Global equity markets continue to be influenced by events in the US, but ongoing policy uncertainty and concentration risk from a small number of large technology companies have raised questions about American exceptionalism. Early indications suggest a shift in investor preferences, with other regions, including the UK, beginning to show improved performance.

Low valuations in the UK stock market remain attractive to international investors and fuel robust merger and acquisition activity. Share buybacks are now a consistent feature of the UK market, and your Board notes increasing evidence that well-executed programmes at good valuations can create lasting value.

Both your Board and Investment Manager are confident that the portfolio is well positioned to continue delivering real growth of income and competitive total returns. Our diversified income base, disciplined stock selection, and long history of successfully navigating varied market cycles provide a solid foundation as your Company enters a fourth decade.

Ewen Cameron Watt

Chairman

10 November 2025

Investment Manager's Review

"Persistent low valuations have prompted a profound shift in how UK companies allocate capital. London now leads the world in share buybacks, with a broader range of businesses returning capital through repurchases. When executed with discipline - without compromising investment or balance sheet strength - buybacks are proving powerful drivers of share price and earnings growth. Complementing attractive levels of dividend income, the result is a compelling total return story for UK equities."

Introduction

During the year ended 31 August 2025, your Company achieved a NAV total return of 9.6%, with net income reinvested. This performance is set against the FTSE All-Share Index, which returned 12.6% over the same period. The share price total return reached 12.9%, reflecting a narrowing discount to NAV.

Income

Total income from dividends increased by 6.1% to £10.3 million, up from £9.7 million in the previous year. Ordinary dividend income rose by 4.8%, marking a modest but welcome return to growth after the prior year's decline. The financial sector was the primary driver of this increase, with insurance and other financials contributing the most significant rise compared to last year. Banks also delivered higher dividends and notable returns of surplus capital via share buybacks. Conversely, lower exposure to the oils and mining sectors resulted in subdued income contributions from these areas in comparison to previous years.

Special dividends accounted for 1.8% of total income, slightly higher than the previous year. These were received from **Lancashire**, known for paying specials when performance allows, and **Assura**, which issued a special dividend in connection with its takeover by **Primary Health Properties**. This report further elaborates on the growing preference among companies for share buybacks as a method of returning surplus capital to shareholders, reflecting management's recognition of the long-term value created by retiring undervalued equity.

A diverse range of holdings contributed to the portfolio's income growth. Many financial companies achieved double-digit dividend increases, including **NatWest**, **Standard Chartered**, **3i**, **XPS Pensions**, and **Prudential.** Outside the financial sector, companies such as **Cranswick, Tesco, Haleon, Telecom Plus, BAE Systems**, and **IMI** also recorded double-digit dividend growth. Others, including **Balfour Beatty, Bunzl, QinetiQ, RELX, Pearson, GSK, AstraZeneca**, and **SSE**, delivered high single-digit dividend growth. Firms opting for lower single-digit increases included **Shell, BP, Legal & General, M&G, BT, Computacenter, Unilever, Fevertree, Pets at Home**, and **Convatec**. Some holdings, such as **Whitbread, Diageo**, and **Smith & Nephew**, maintained flat dividends, while reductions were limited, with **National Grid** being the most significant as it reset its dividend to support major investment plans.

Market-wide, unfavourable exchange rates and a shift towards share buybacks have acted as headwinds to UK dividends, with fewer special dividends observed. Despite this, your Investment Manager is pleased to report resumed dividend income growth for your Company and increased diversification of income sources. Financials remain a key contributor, but income was also supported by businesses from consumer, healthcare, industrial, and utilities sectors. The top ten dividend payers made up 37.6% of total income, down from 45.2% in the previous financial year.

Market background

The review period was marked by notable events and volatility, but the overall direction for UK equities was positive, mirroring trends in other regional markets. Developments in the United States, particularly the re-election of Donald Trump as President, dominated headlines and shaped investor sentiment. Initial optimism around pro-growth policies such as tax cuts and deregulation soon gave way to concerns as the policy agenda shifted towards trade, with the introduction of 'Liberation Day' tariffs in April sparking a global market correction and recession fears. Nevertheless, markets rebounded strongly, with many, including the UK, ending at or near record highs.

Political and trade uncertainties led to reconsideration of the 'US exceptionalism' seen in recent years, as investors grew cautious about over-reliance on the US and a handful of large technology firms. This shift is reflected in relative performance tables: the UK, though still perceived as a laggard, posted double-digit annualised returns over the past five years, and for the period under review, UK and US returns were similar in common currency terms.

Domestically, the UK began the period under a new Labour government focused on economic growth. The first Budget, however, disappointed investors, with higher employer National Insurance contributions and increases in the National Minimum Wage dampening sentiment. Monetary policy was broadly supportive, with interest rates trending lower, although inflation remained too high for the Bank of England to ease policy significantly. Despite fiscal challenges and slow growth, UK equities performed well, bolstered by the global nature of UK-listed companies, with approximately 75% of FTSE All-Share revenues generated outside the UK.

International interest in UK equities, especially from US investors, has increased over the period, attracted by generally low valuations. Large caps benefitted most so far, but potential remains for broader participation. While profitability for UK companies has been strong, earnings growth for larger, international-facing businesses has been held back in sterling terms by a weaker dollar. Consequently, large-cap share price gains were mainly due to re-rating, resulting in even better relative value among smaller companies, where your Investment Manager continues to find attractive opportunities.

Share buybacks remained prominent, with evidence mounting that disciplined buyback programmes at low valuations are starting to drive outperformance. Mergers and acquisitions ("M&A") activity also continued, especially among small and mid-caps, as overseas and private equity buyers sought to capitalise on low valuations. Sector consolidation was also notable in areas like property and construction.

Portfolio performance

The portfolio achieved a positive absolute return but trailed the FTSE All-Share Index. The main headwind was stock selection among larger companies, as holdings not owned or underweighted in the portfolio outperformed. Additionally, the portfolio's overweight position in mid and small-cap companies, along with a corresponding underweight in large caps, hindered relative performance. FTSE 100 companies returned 13.7%, surpassing the FTSE 250's 5.9% and FTSE Smaller Companies' 6.9%. This reversed the previous year's trend, when small and mid-cap exposure was more beneficial.

The timing of increased investment in smaller companies has yet to pay off, with mid-cap stocks displaying volatility since their mid-2021 peak. Nevertheless, stock selection within small and mid-caps has been positive since your Investment Manager took over in July 2011. Despite lagging returns compared to the FTSE 100 this year, your Investment Manager remains confident in the strategy due to lower valuations, stronger long-term growth prospects, and higher dividend yields among mid-caps. Many of these companies have adopted share buybacks, expected to support future earnings, dividend growth, and share prices. Over the last 25 years, the FTSE 250 Index has delivered superior total annualised returns of 7.6%, compared to the FTSE 100 Index return of 5.1%.

Past performance is not a guide to future performance and may not be repeated. For illustrative purposes only and not a recommendation to buy or sell shares or sectors.

Five top/bottom relative performers

Weight

	Portfolio weight[1] (%)	relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
Standard Chartered	4.0	+3.1	+69.8	+1.6
Burberry	1.9	+1.7	+79.6	+0.9
Balfour Beatty	2.6	+2.5	+32.9	+0.7
BT	2.5	+2.1	+50.2	+0.7
Lloyds Banking Group	3.9	+2.2	+30.2	+0.7

	Portfolio weight[1] (%)	Weight relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
Rolls-Royce	0.0	-2.5	+105.7	-1.9
Taylor Wimpey	2.1	+1.9	-48.7	-1.1
British American Tobacco	0.0	-2.6	+46.9	-1.0
Pets at Home	1.9	+1.8	-36.3	-0.8
Hollywood Bowl	1.9	+1.9	-33.6	-0.7

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Source: Schroders, Aladdin.

[1] Average weights over the period.

[2] Total return of the stock relative to the FTSE All-Share TR over the period.

[3] Contribution to performance relative to the FTSE All-Share TR.

Positive contributors included an overweight position in the financials sector and effective stock selection. Banks generally delivered robust dividend increases and share buybacks, enhancing shareholder returns. **Standard Chartered** was the largest contributor, with your Investment Manager adding to the position after share price weakness late last year; the shares subsequently performed strongly as Asian economic data improved, and global growth concerns eased. **Lloyds Banking Group**, as well as life insurance groups **Prudential** and **Legal & General**, also contributed positively.

Burberry rebounded from being a major detractor last year. Following strategic missteps and weak trading, the company underwent a management change. Your Investment Manager engaged extensively with Burberry and increased the holding when market sentiment was negative. Early signs of operational improvement have been reflected in the share price, despite a challenging luxury goods environment and a suspended dividend.

Balfour Beatty also performed well. The company remains attractively valued, benefits from strong management, and has renegotiated key contracts for more predictable returns and reduced risk. Its disciplined capital allocation, progressive dividend policy, and sustained share buybacks (over a fifth of shares repurchased in five years) have supported growth in earnings and dividends per share.

Conversely, some consumer discretionary holdings detracted from returns. **Pets at Home's** share price fell due to higher employment costs introduced in the Autumn Budget, affecting sentiment towards its retail operations. However, your Investment Manager sees value in its veterinary business, which it believes is underappreciated by the market. Uncertainty was heightened by a Competition & Markets Authority review of the veterinary sector, but your Investment Manager continues to see attractive prospects for this part of the business. Post-period end, the company's CEO departed, with the chair stepping in temporarily.

Hollywood Bowl's performance was affected by seasonal factors, with consumers preferring outdoor activities during a warm and dry spring and summer. Your Investment Manager remains optimistic about experiential leisure and sees growth potential in the company's Canadian expansion.

Taylor Wimpey faced sector-wide headwinds in UK housebuilding, with policy support slow to materialise, mortgage rates remaining high, and sluggish planning approvals. Despite this, your Investment Manager holds the position for its valuation and yield, anticipating potential capital appreciation if conditions improve.

The absence of holdings in some strong-performing index constituents also impacted relative returns. Rolls-Royce continued its recovery, with new leadership implementing transformation plans faster than anticipated, and future demand for defence and nuclear business exciting investors. Your Investment Manager continues to evaluate the investment case but has not yet found an attractive valuation driven entry point. Furthermore, British American Tobacco outperformed, supported by price rises in its traditional business and next-generation products, though your Investment Manager prefers opportunities elsewhere due to concerns about the sustainability of growth.

M&A activity continued, reflecting attractive valuations and overseas interest. Private equity and trade buyers were active, notably in property, with **Assura** subject to competing bids. Your Investment Manager supported the offer from **Primary Health Properties**, believing it would create a stronger listed entity, and retained the position post-deal. The portfolio also benefited from Unite's bid for **Empiric Student Properties**, still ongoing at the time of writing.

Shifting capital allocation preferences

Your Investment Manager has observed a significant shift in UK companies' capital allocation preferences in response to low valuations. More businesses are directing surplus cash towards share buybacks, alongside or instead of dividend growth. While share buybacks have long been common in the US, the UK is now adopting this approach, with Japan and Europe following suit to a lesser extent.

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Share buybacks reduce the number of shares outstanding, increasing each remaining shareholder's proportion of ownership and enhancing earnings and dividends per share. The main reasons for buybacks are to return surplus capital, exploit undervaluation, boost per share metrics, and signal management's confidence in the future.

The trend is broadening, with buybacks occurring across more sectors and among mid and small-cap companies as well as large ones. At year-end, 31 out of 47 holdings, 67% of portfolio value, engaged in buybacks, up from 29 holdings (60%) in 2024 and 17 (38%) in 2023.

Businesses with disciplined, long-term buyback programmes are beginning to show share price outperformance and enhanced earnings and dividend per share growth. Banks, for example, were among the best performing sectors, with all portfolio banks conducting buybacks and making strong dividend increases. Your Investment Manager believes total shareholder returns (dividends plus buybacks) from banks could equate to as much as a quarter of their current market value over the next three years. UK bank valuations remain subdued compared to their long-term history and international peers.

Insurers and financials like **Legal & General, Prudential, ICG**, and **TP ICAP** also have the capital strength for buybacks and growth investment. Oil majors **Shell** and **BP** are returning significant capital, with Shell having reduced its share count by over 25% since 2020. Shell's dividend was cut in 2020 but has since more than doubled, while the total dividend cost is now less than half of pre-cut levels due to the reduced share count.

Buybacks span medical technology firms **Smith & Nephew** and **Convatec**, consumer-facing businesses such as **Whitbread, Pearson,** and **Unilever**, and industrials like **BAE Systems** and **Balfour Beatty**.

However, buybacks do not automatically lead to better performance. They are beneficial only at appropriate prices and should not override core business investment or be funded by debt. Maintaining and improving the quality of existing operations, as well as supporting future growth, should remain the priority. About one-third of the portfolio did not conduct buybacks, prioritising capital expenditure (utilities), returning profits via dividends (high-yield companies), or constrained by high valuations or balance sheet limitations.

Portfolio activity

During the review period, your Investment Manager added 15 new holdings and exited 12 positions. Four new consumer staples holdings were introduced, capitalising on excellent franchises after a period of underperformance.

Diageo was reintroduced after further share price weakness, presenting a compelling valuation. Near-term profit expectations have been reset, with the destocking cycle advanced, suggesting sales recovery is possible. The appointment of an experienced CFO is expected to drive efficiencies and improve returns.

Fevertree Drinks, a premium mixer brand, was added. Following this purchase a distribution partnership with Molson Coors was announced, providing capital light growth potential in the US, enabling more cash returns to shareholders.

Tesco was purchased for its attractive income generation, with a roughly 4% dividend yield and ongoing buybacks. Its competitive position supports market share gains and targeted promotions, potentially yielding high-margin advertising revenues.

Associated British Foods ("ABF") owns diverse assets, including Primark, grocery brands, and specialty ingredients. Primark has notable geographic expansion potential, and management can unlock further value by streamlining and addressing underperforming divisions.

To fund increased consumer staples exposure, trims were made in utilities, telecoms, pharmaceuticals, and banking. **Drax Group** was exited after a strong share run, as its Bioenergy projects require significant government support and US policy shifts made the risk-reward less attractive. **BT Group** was trimmed after outperformance, with improved communication under a new CEO enhancing market appreciation of its value as fibre broadband investments begin to generate cash. Exposure to **GSK** was reduced early in the period due to disappointing vaccine sales and earnings downgrades, despite settling litigation at lower-than-expected cost. **Standard Chartered** was reduced after strong performance from a previously increased position but remains a top active holding.

Strategy and outlook

The past year brought external challenges, including fiscal pressures, persistent inflation, and geopolitical uncertainty. Despite these headwinds, UK equities delivered attractive absolute and competitive relative returns, challenging the

Despite these headwinds, UK equities delivered attractive absolute and competitive relative returns, challenging the perception of persistent UK market underperformance.

Valuations remain attractive, despite strong recent returns, the UK trades at average historic valuations - around 15% below Europe and well below the US. Your Investment Manager sees particular opportunities among mid-caps trading at depressed levels due to UK macroeconomic pressures, creating potential for mispriced businesses with upside.

Financials account for about a third of the portfolio, including banks, insurers, and asset managers with both global and local exposure. Holdings such as **Standard Chartered, Prudential, ICG**, and **TP ICAP** combine valuation support, earnings growth, attractive yields, and significant buybacks. **XPS Pensions** benefits from structural change and demand in bulk annuities. Your Investment Manager believes these holdings will underpin attractive shareholder returns.

The portfolio also has significant, overweight positions in healthcare, with **Convatec** and **Smith & Nephew** delivering positive progress. Smith & Nephew's three-year turnaround is gaining traction, with improvements in orthopaedics, sports medicine, wound management, and cash generation supporting returns. **AstraZeneca** is a major holding, supported by a broad pipeline and confidence in achieving 2030 revenue goals. Smaller positions include **GSK** and **Haleon**.

The portfolio remains underweight in energy and basic industries, where commodities prices have been under pressure, and industrials, though new holdings include **BAE Systems**, **IMI**, and **Intertek**. Utilities holdings include **National Grid** and **SSE**, offering growth opportunities and solid returns.

Overall, your Company is invested across attractively valued companies with robust growth prospects and a clear commitment to improving shareholder returns.

The backdrop includes risks from global trade dynamics, geopolitical tensions, persistent fiscal pressures, and stubborn inflation, contributing to volatility. However, volatility does not preclude progress, as history shows equity markets can advance despite turbulence.

The opportunity set is key. International investors are reconsidering heavy US exposure, seeking value, growth, resilience, and diversification elsewhere. The UK offers these qualities and could benefit if investors diversify.

Momentum is building in domestic policy, with new initiatives to foster long-term investment and reinvigorate the UK's capital markets. The "Leeds Reforms" aim to encourage investment in productive assets, modernise regulatory frameworks, and promote more efficient capital deployment. These measures, alongside renewed competitiveness and market reform, signal policy support for UK economic growth. Early evidence suggests confidence is returning to UK listings, with recent IPOs and mergers reinforcing a more constructive market environment and highlighting the UK's "self-help" potential.

Against this backdrop, your Investment Manager is confident in the UK market's ability to reward patient, long-term investors. With attractive valuations, improving fundamentals, and supportive capital markets policy, the outlook is constructive. This confidence is reflected in ongoing gearing and the unique benefits of the investment trust structure, such as income smoothing, which should continue to add value for shareholders. Your Investment Manager remains focused on building a diversified portfolio of fundamentally mispriced UK opportunities, aiming to grow income ahead of inflation and capital through rising income.

Schroder Investment Management Limited

10 November 2025

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Risk Report

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

Risk assessment and internal controls review by the Board

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

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. Both the principal risks and the monitoring system are also subject to robust assessment at least annually. The last assessment took place in November 2025.

During the year, the Board discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. The Board received updates from the Investment Manager, Company Secretary, and other service providers on emerging risks that could affect the Company. The Board was mindful of the risks posed by volatile markets, geopolitical uncertainty, including the new US Administration, inflation and corresponding interest rate levels which could affect the asset class. However, these are not factors which explicitly impacted the Company's performance. These risks are seen as those that exacerbate existing risks and have been incorporated where relevant in the table below.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company and that the internal control environment continues to operate effectively.

Actions taken by the Board and, where appropriate, its Committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below.

The "Change" column on the right highlights at a glance the Board's assessment of any increases or decreases in risk during the year after mitigation and management. The arrows show the risks as increased, decreased, or unchanged.

Risk	**Mitigation and management**	**Change**
Strategy		
Strategic		↔
The Company's investment objectives may become out of line with the requirements of investors, resulting in a wide discount of the share price to underlying NAV per share.	The Board holds a separate annual strategy meeting to consider the Company's strategy and performance, the appropriateness of the Company's investment remit together with opportunities and threats to its business. Share price relative to NAV per share is monitored at quarterly board meetings and the use of buy back authorities is considered on a regular basis. During the year, the Board announced a tighter discount control policy to manage the share price discount to NAV, with the Board aiming to reduce volatility and maintain the discount within a single-digit range during normal market conditions. The marketing and distribution activity is actively reviewed and there is proactive engagement with shareholders.	
Cost base		↔
The Company's cost base could become uncompetitive, particularly in light of open-ended alternatives.	The ongoing competitiveness of all service provider fees is subject to periodic benchmarking against its competitors. Annual consideration of management fee levels. During the year, the Board negotiated a reduction in the investment management fee from 0.45% to 0.40% and changed the basis of the fee calculation from a charge on the Company's NAV to the lower of market capitalisation or NAV. The separate fee for secretarial and administration services was also removed. These changes took effect from 1 September 2025, after the Company's financial year end. The transition of custodian and depositary to J.P. Morgan will also contribute to an overall reduction in expenses.	
Continuation vote		↑

The Company's Articles of Association require the Board to put a proposal for the continuation of the Company in its current form to shareholders every five years.	The Manager and the corporate broker engage with shareholders to understand investor sentiment and regularly provide feedback to the Board. The Chairman of the Board met with some of the Company's major shareholders during the year and since the year end and took their views into consideration as part of the Board's duty to ensure their interests were taken into account. Directors also engage directly with shareholders at the AGM to understand their views.	Shareholders will have the opportunity to vote on the continuation of the Company at the forthcoming AGM in December 2025.
Investment		
Investment management		↔
The Investment Manager's investment strategy, if inappropriate, may result in the Company underperforming the market and/or peer group companies, leading to the Company and its objectives becoming unattractive to investors.	Review of the Investment Manager's compliance with the agreed investment restrictions, investment performance and risk against investment objectives and strategy; relative performance; the portfolio's risk profile; and appropriate strategies employed to mitigate any negative impact of substantial changes in markets. Annual review of the ongoing suitability of the Manager, including resources and key personnel risk.	
Economic and market		↔
The Company is exposed to the effect of market fluctuations due to the nature of its business. A significant fall in equity markets could have an adverse impact on the market value of the Company's underlying investments. The portfolio will normally be fairly fully invested and as such will therefore inevitably be exposed to economic and market risk. Changes in general economic and market conditions, such as currency exchange rates, 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.	The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets are discussed with the Manager. There are inherent risks involved in stock selection. The Investment Manager is experienced and has a long track record in successfully investing in public equity holdings. The Investment Manager monitors the impact of foreign currency movements on the portfolio and is able to rebalance the portfolio towards stocks which are less impacted by changes in foreign currency exchange rates if required.	
ESG and climate change		↔
Failure by the Investment Manager to identify potential ESG issues, including the impact of climate change, could impact shareholder returns due to valuation issues in investee companies and the Company's shares becoming less attractive to investors.	The Investment Manager's ESG policies, including those relating to climate change, which have been adopted by the Company, are fully integrated into the investment process, as set out in the Strategic Report. Investments are valued at fair value and reflect market participants' views of ESG and climate change risk on the Company's portfolio investments. The Investment Manager reports to the Board on ESG and climate change matters, including engagement with investee companies. Any investor feedback is also taken into consideration by the Board.	
Gearing		↔
The Company utilises a credit facility. This arrangement increases the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within pre-agreed limits so as not to exceed 25% of shareholders' funds.	
Custody		↔
Safe custody of the Company's assets may be compromised through control failures by the depositary.	The depositary reports on the safe custody of the Company's assets, including cash and portfolio holdings, which are independently reconciled with the Manager's records. The review of audited internal controls reports covering custodial arrangements is undertaken. An annual report from the depositary on its activities,	

	including matters arising from custody operations is reviewed.	
Compliance		
Accounting, legal and regulatory		↔
In order to continue to qualify as an investment trust, the Company must comply with the requirements of section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.	The confirmation of compliance with relevant laws and regulations by key service providers. Shareholder documents and announcements, including the Company's published annual report are subject to stringent review processes. Procedures have been established to safeguard against disclosure of inside information.	
Operational		
Service provider		↑
The Company has no employees and has delegated certain functions to a number of service providers, principally the Manager, depositary, and registrar. Failure of controls and poor performance of any service provider could lead to disruption, reputational damage or loss. Operational risks may arise from the transfer of custodian, depositary and fund administration services to a new service provider.	Service providers are appointed subject to due diligence processes and with clearly-documented contractual arrangements detailing service expectations. Regular reports are provided by key service providers and the quality of services provided are monitored. Audited internal controls reports from key service providers, including confirmation of business continuity arrangements, are reviewed annually. In respect of the transition of custodian, depositary and fund administration services from HSBC to J.P. Morgan, a detailed transition plan was put in place, closely monitored by the Manager via a Risks, Assumptions, Issues and Dependencies (RAID) log. The Board received quarterly progress updates on the transition, with the Audit Committee Chair acting as the primary point of contact between update cycles. All migration of financial data from HSBC to J.P. Morgan was subject to close oversight by the Company's external auditors.	Operational risks associated with the transition of custodian, depositary, and fund administration services from HSBC to J.P. Morgan.
Cyber		↔
The Company's service providers are all exposed to the risk of cyber attacks. Cyber attacks could lead to loss of personal or confidential information or disrupt operations.	Service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber attack. In addition, the Board received presentations from the Manager, the registrar and the safekeeping agent and custodian on cyber risk.	

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

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

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 (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent.

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

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the Company's web pages. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement

Each of the Directors, whose names and functions are listed on pages 40 and 41 of the full annual report and financial statements, confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- the annual report and financial statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Ewen Cameron Watt

Chairman

10 November 2025

Statement of Comprehensive Income

for the year ended 31 August 2025

		2025	**2024**				
	Note	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Gains on investments held at fair value through profit or loss	2	-	13,373	13,373	-	30,756	30,756
Net foreign currency (losses)/gains		-	(12)	(12)	-	23	23
Income from investments	3	10,332	-	10,332	9,742	275	10,017
Other interest receivable and similar income	3	92	-	92	142	-	142
Gross return		**10,424**	**13,361**	**23,785**	**9,884**	**31,054**	**40,938**
Management fee	4	(460)	(691)	(1,151)	(436)	(654)	(1,090)
Administrative expenses	5	(611)	-	(611)	(585)	-	(585)
Net return before finance costs and taxation		**9,353**	**12,670**	**22,023**	**8,863**	**30,400**	**39,263**
Finance costs	6	(643)	(965)	(1,608)	(779)	(1,168)	(1,947)
Net return before taxation		**8,710**	**11,705**	**20,415**	**8,084**	**29,232**	**37,316**
Taxation	7	(45)	-	(45)	-	-	-
Net return after taxation		**8,665**	**11,705**	**20,370**	**8,084**	**29,232**	**37,316**
Return per share (pence)	**9**	**12.55**	**16.96**	**29.51**	**11.64**	**42.09**	**53.73**

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

The notes on pages 66 to 77 of the full annual report and financial statements form an integral part of these financial statements.

Statement of Changes in Equity

Statement of Changes in Equity

for the year ended 31 August 2025

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Share purchase reserves £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2023		6,946	9,449	2,011	1,596	34,936	137,112	11,882	203,932
Repurchase of ordinary shares into treasury		-	-	-	-	(102)	-	-	(102)
Net return after taxation		-	-	-	-	-	29,232	8,084	37,316
Dividends paid in the year	8	-	-	-	-	-	-	(9,585)	(9,585)
At 31 August 2024		**6,946**	**9,449**	**2,011**	**1,596**	**34,834**	**166,344**	**10,381**	**231,561**
Repurchase of ordinary shares into treasury		-	-	-	-	(4,312)	-	-	(4,312)
Net return after taxation		-	-	-	-	-	11,705	8,665	20,370
Dividends paid in the year	8	-	-	-	-	-	-	(11,373)	(11,373)
At 31 August 2025		**6,946**	**9,449**	**2,011**	**1,596**	**30,522**	**178,049**	**7,673**	**236,246**

The notes on pages 66 to 77 of the full annual report and financial statements form an integral part of these financial statements.

Statement of Financial Position

at 31 August 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	259,636	258,409
Current assets			
Debtors	11	1,658	1,909
Cash and cash equivalents	12	1,520	1,692
		3,178	**3,601**
Current liabilities			
Creditors: amounts falling due within one year	13	(26,568)	(30,449)
Net current liabilities		**(23,390)**	**(26,848)**
Total assets less current liabilities		**236,246**	**231,561**
Net assets		**236,246**	**231,561**
Capital and reserves			
Called-up share capital	14	6,946	6,946
Share premium	15	9,449	9,449
Capital redemption reserve	15	2,011	2,011
Warrant exercise reserve[1]	15	1,596	1,596
Share purchase reserve	15	30,522	34,834
Capital reserves	15	178,049	166,344
Revenue reserve	15	7,673	10,381
Total equity shareholders' funds		**236,246**	**231,561**
Net asset value per share (pence)	**16**	**347.32**	**333.54**

[1] A non distributable equity reserve which was created prior to 31 December 2003 when the Company issued shares with warrants attached.

These financial statements were approved and authorised for issue by the Board of Directors on 10 November 2025 and signed on its behalf by:

Ewen Cameron Watt

Chairman

The notes on pages 66 to 77 of the full annual report and financial statements form an integral part of these financial statements.

Registered in England and Wales as a public company limited by shares Company registration number: 03008494

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

Schroder Income Growth Fund 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.

shares. The Company's registered office is 1 London Wall Place, London EC2Y 5AU.

The financial statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are measured at fair value through profit or loss. The Directors believe that the Company has adequate resources to continue operating until 30 November 2026, which is at least 12 months from the date of approval of these financial statements. In forming this opinion, the Directors have taken into consideration: the controls and monitoring processes in place; the Company's low level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. The Directors have also considered the continuation vote scheduled at the forthcoming Annual General Meeting and have no present reason to believe such a resolution will not be passed by shareholders. The Directors have considered the impact of ESG and climate change as a principal risk and have concluded that there was no further impact of climate change to be taken into account as the investments are valued based on market pricing. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Manager's Review, Going Concern Statement, Viability Statement and under the Principal and Emerging Risks and Uncertainties in the Strategic Report.

The Company has not presented a statement of cash flows, as it is not required for an investment trust which meets certain conditions; in particular that substantially all of the Company's investments are highly liquid and carried at fair value.

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

The accounting policies applied to these financial statements are consistent with those applied in the financial statements for the year ended 31 August 2024.

Other than the Directors' assessment of going concern, no significant judgements, estimates or assumptions have been required in the preparation of the financial statements for the current or preceding financial year.

(b) Valuation of investments

The Company's investments are classified as fair value through profit and loss in accordance with FRS 102. Upon initial recognition the investments are measured at the transaction price, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets. Fair value gains or losses are recognised in the capital column of the statement of comprehensive income.

All purchases and sales are accounted for on a trade date basis.

(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 statement of comprehensive income and dealt with in capital reserves within "Gains and losses on sales of investments". Increases and decreases in the valuation of investments held at the year end are included in the statement of comprehensive income and dealt with in capital reserves within "Investment holding gains and losses".

Foreign exchange gains and losses on cash and deposit balances are included in the statement of comprehensive income and in capital reserves.

(d) Income

Dividends receivable from equity shares 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.

Dividends from overseas companies are included gross of any withholding tax.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

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 revenue with the following exceptions:

- The management fee is allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split

- The management fee is allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio. The Board reviews this allocation on an annual basis.
- Expenses incidental to the purchase and sale of an investment are written off to capital at the time of acquisition or disposal. These expenses are commonly referred to as transaction costs and comprise brokerage commission and stamp duty. Details of transaction costs are given in note 10 on page 70 of the full annual report and financial statements.

(f) Finance costs

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest method in accordance with FRS 102.

Finance costs are allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio. The Board reviews this allocation on an annual basis.

(g) Financial instruments

Cash at bank and in hand may comprise cash, demand deposits and cash equivalents. Cash equivalents are highly liquid investments with a short-term maturity of three months or less, that are readily convertible to a known amount of cash and subject to insignificant risk of changes in value.

Cash equivalents comprise the Company's investment in HSBC's Sterling Liquidity Fund of £202,000 (2024: £944,000) which is managed as part of the Company's cash and cash equivalents as defined under FRS 102: 7.2.

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 are classified as financial liabilities at amortised cost. They are initially measured at the proceeds received, net of direct issue costs, and subsequently measured at amortised cost using the effective interest method.

(h) Taxation

The tax charge for the year is based on amounts expected to be received or paid.

Deferred tax is accounted for in accordance with FRS 102.

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 accounting date and is measured on an undiscounted basis.

(i) Value added tax ("VAT")

Expenses are disclosed inclusive of the related irrecoverable VAT.

(j) Foreign currency

In accordance with FRS 102, the Company is required to determine a functional currency in which the Company predominantly operates. The Board has determined that sterling is the Company's functional currency and the presentational currency of the financial statements. The functional currency is the currency of the primary economic environment in which the company operates.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets, liabilities and investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end.

(k) Dividends payable

Dividends on equity shares are recognised as a deduction of equity when the liability to pay the dividends arises. Consequently, interim dividends are recognised when paid and final dividends when approved in the general meeting.

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

	2025 £'000	**2024 £'000**
Gains on sales of investments based on historic cost	3,444	3,099
Losses/(gains) recognised in investment holdings in the previous year in respect of investments sold in the year	(7,344)	(3,014)
(Losses)/gains on sales of investments based on the carrying value at the previous statement of financial position date	**(3,900)**	**85**
Unrealised gains recognised in respect of investments continuing to be held	17,273	30,671

Gains on investments held at fair value through profit or loss	**13,373**	**30,756**

3. Income

	2025 £'000	2024 £'000
Income from investments:		
UK dividends	10,013	8,736
UK special dividends	181	51
Overseas dividends	138	839
Scrip dividends	-	116
	10,332	9,742
Other interest receivable and similar income:		
Deposit interest	87	107
Other income	5	35
	92	142
Capital:		
Special dividends allocated to capital	-	275
Total income	**10,424**	**10,159**

4. Management fee

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	**460**	**691**	**1,151**	**436**	**654**	**1,090**

The basis for calculating the management fee is set out in the Directors' Report on page 43 of the full annual report and financial statements. Under the terms of the AIFM Agreement, a management fee is payable at a rate of 0.45% per annum of chargeable assets. As disclosed in note 22, effective 1 September 2025, the management fee was reduced from 0.45% to 0.40% and fees will be charged on the lesser of market capitalisation or cum NAV of the Company.

5. Administrative expenses

	2025 £'000	2024 £'000
Administration expenses	418	399
Directors' fees	132	127
Auditor's remuneration for the audit of the Company's financial statements[1]	61	59
	611	**585**

[1] Includes £10,000 (2024: £10,000) irrecoverable VAT.

6. Finance costs

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans	**643**	**965**	**1,608**	**779**	**1,168**	**1,947**

7. Taxation

(a) Analysis of charge for the year

	2025 £'000	2024 £'000
Irrecoverable overseas tax	45	-
Tax charge for the year	**45**	**-**

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2024: lower) than the Company's applicable rate of corporation tax for the year of 25% (2024: 25%).

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 gain/return on ordinary activities before taxation	8,710	11,705	20,415	8,084	29,232	37,316
Net gain/return on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2024: 25%)	2,178	2,926	5,104	2,021	7,308	9,329
Effects of:						
Capital losses on investments	-	(3,340)	(3,340)	-	(7,695)	(7,695)

Income not chargeable to corporation tax	(2,504)	-	(2,504)	(2,339)	(69)	(2,408)
Unrelieved expenses	326	414	740	318	456	774
Irrecoverable overseas tax	45	-	45	-	-	-
Tax charge for the year	**45**	**-**	**45**	**-**	**-**	**-**

(c) Deferred tax

The Company has an unrecognised deferred tax asset of £10,719,000 (2024: £9,979,000) based on a main rate of corporation tax of 25% (2024: 25%).

The unrecognised 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 financial statements.

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

8. Dividends

(a) Dividends paid and declared

	2025 £'000	2024 £'000
2024 fourth interim dividend of 6.7p (2023: 6.3p)	4,651	4,376
First interim dividend of 3.25p (2024: 2.5p)	2,256	1,737
Second interim dividend of 3.25p (2024: 2.5p)	2,238	1,737
Third interim dividend of 3.25p (2024: 2.5p)	2,228	1,737
Total dividends paid in the year	**11,373**	**9,585**

	2025 £'000	2024 £'000
Fourth interim dividend declared of 4.95p (2024: 6.7p)	**3,367**	4,651

All dividends paid and declared to date have been paid, or will be paid, out of revenue profits.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ("Section 1158")

The requirements of Section 1158 are considered on the basis of dividends declared in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £8,665,000 (2024: £8,804,000).

	2025 £'000	2024 £'000
First interim dividend of 3.25p (2024: 2.5p)	2,256	1,737
Second interim dividend of 3.25p (2024: 2.5p)	2,238	1,737
Third interim dividend of 3.25p (2024: 2.5p)	2,228	1,735
Fourth interim dividend of 4.95p (2024: 6.7p)	3,367	4,651
Total dividends of 14.7p (2024: 14.2p) per share	**10,089**	**9,860**

9. Return per share

	2025 £'000	2024 £'000
Revenue return	8,665	8,084
Capital return	11,705	29,232
Total return	**20,370**	**37,316**
Weighted average number of ordinary shares in issue during the year	69,031,408	69,449,119
Revenue return per share (pence)	12.55	11.64
Capital return per share (pence)	16.96	42.09
Total return/gain per share (pence)	**29.51**	**53.73**

10. Investments held at fair value through profit or loss

	2025 £'000	2024 £'000
Opening book cost	208,306	207,268
Opening investment holding gains	50,103	22,446
Opening fair value	**258,409**	**229,714**
Analysis of transactions made during the year		
Purchases at cost	84,955	25,189
Sales proceeds	(97,101)	(27,250)
Gains on investments held at fair value	13,373	30,756
Closing fair value	**259,636**	**258,409**
Closing book cost	199,604	208,306
Closing investment holding gains	60,032	50,103
Closing fair value	**259,636**	**258,409**

All investments are listed on a recognised stock exchange.

Sales proceeds amounting to £97,101,000 (2024: £27,250,000) were receivable from disposals of investments in the year. The book cost of these investments when they were purchased was £93,657,000 (2024: £24.151,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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

	2025 £'000	2024 £'000
On acquisitions	381	130
On disposals	39	13
	420	**143**

11. Debtors

	2025 £'000	2024 £'000
Dividends and interest receivable	1,639	1,901
Other debtors	19	8
	1,658	**1,909**

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

12. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank	1,318	748
Money market fund	202	944
	1,520	**1,692**

As at 31 August 2025, the Company held shares in the HSBC Sterling Liquidity fund with a market value of £202,000 (31 August 2024: £944,000), which is managed as part of the Company's cash and cash equivalents as defined under FRS 102:7.2.

13. Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank loan	26,000	30,000
Repurchases of the Company's own shares awaiting settlement	104	-
Other creditors and accruals	464	449
	26,568	**30,449**

The bank loan comprises £26.0 million drawn down on the Company's secured revolving credit facility with The Bank of Nova Scotia, London Branch.

Prior to the start of the new loan agreement with The Bank of Nova Scotia, London Branch, effective 20 September 2024, and maturity date 19 September 2025, the Company had an unsecured revolving credit facility with SMBC Bank International plc (2024: £30.0 million).

The new facility is secured and is subject to covenants and restrictions which are customary to a facility of this nature. Further details of this facility are given in note 20(a)(i) on page 74 of the full annual report and financial statements.

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

14. Called-up share capital

	2025 £'000	2024 £'000
Ordinary shares allotted, called up and fully paid:		
Ordinary shares of 10p each		
Opening balance of 69,425,343 (2024: 69,463,343) shares	6,946	6,946
Repurchase of 1,406,191 (2024: 38,000) shares held in treasury	(141)	(4)
Subtotal of 68,019,152 (2024: 69,425,343) shares	**6,805**	**6,942**
1,444,191 (2024: 38,000) shares held in treasury	141	4
Total of 69,463,343 (2024: 69,463,343) shares	**6,946**	**6,946**

15. Reserves

					Capital reserves		
	Share	Capital redemption	Warrant exercise	Share purchase	Gains and losses on sales of	Investment holding gains and	Revenue

Year ended 31 August 2025	premium[1] £'000	reserve[1] £'000	reserve[1] £'000	reserve[2] £'000	investments[2] £'000	losses[3] £'000	reserve[4] £'000
Opening balance	**9,449**	**2,011**	**1,596**	**34,834**	**116,241**	**50,103**	**10,381**
Losses on sales of investments based on the carrying value at the previous statement of financial position date	-	-	-	-	(3,900)	--	--
Net movement in investment holding gains and losses	-	-	-	-	-	17,273	-
Transfer on disposal of investments	-	-	-	-	7,344	(7,344)	-
Realised exchange losses on currency balances	-	-	-	-	(12)	-	-
Management fee and finance costs allocated to capital	-	-	-	-	(1,656)	-	-
Share repurchases into treasury	-	-	-	(4,312)	-	-	-
Dividends paid	-	-	-	-	-	-	(11,373)
Retained revenue for the year	-	-	-	-	-	-	8,665
Closing balance	**9,449**	**2,011**	**1,596**	**30,522**	**118,017**	**60,032**	**7,673**

					Capital reserves		
Year ended 31 August 2024	**Share premium[1] £'000**	**Capital redemption reserve[1] £'000**	**Warrant exercise reserve[1] £'000**	**Share purchase Reserve[3] £'000**	**Gains and losses on sales of Investments[3] £'000**	**Investment holding gains and Losses[3] £'000**	**Revenue reserve[4] £'000**
Opening balance	**9,449**	**2,011**	**1,596**	**34,936**	**114,666**	**22,446**	**11,882**
Gains on sales of investments based on the carrying value at the previous statement of financial position date	-	-	-	-	85	-	-
Net movement in investment holding gains and losses	-	-	-	-	-	30,671	-
Transfer on disposal of investments	-	-	-	-	3,014	(3,014)	-
Realised exchange gains on currency balances	-	-	-	-	23	-	-
Management fee and finance costs allocated to capital	-	-	-	-	(1,822)	-	-
Share repurchase into treasury	-	-	-	(102)	-	-	-
Special dividends allocated to capital	-	-	-	-	275	-	-
Dividends paid	-	-	-	-	-	-	(9,585)
Retained revenue for the year	-	-	-	-	-	-	8,084
Closing balance	**9,449**	**2,011**	**1,596**	**34,834**	**116,241**	**50,103**	**10,381**

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

1 These reserves are not distributable.

2 These are realised (distributable) capital reserves which may be used to repurchase the Company's own shares or distributed as dividends.

3 This reserve comprises holding gains on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. The reserve is predominantly distributable.

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

16. Net asset value per share

	2025 £'000	**2024 £'000**
Net assets attributable to shareholders (£'000)	236,246	231,561
Shares in issue at the year end	68,019,152	69,425,343
Net asset value per share (pence)	347.32	333.54

17. Transactions with the Manager

Under the terms of the AIFM 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 of the full annual report and financial statements. 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. As at year end, the Company did not have any investments in funds managed or advised by the Manager or any of its associated companies (2024: nil).

The management fee payable in respect of the year ended 31 August 2025 amounted to £1,151,000 (2024: £1,090,000) of which £294,000 (2024: £291,000) was outstanding at the year end.

The Manager is entitled to receive a further fee to cover administration and company secretarial costs. Refer to note 22 for details of a change to this fee.

The secretarial fee payable for the year amounted to £142,000 (2024: £180,000) of which £38,000 (2024: £45,000) was outstanding at the year end.

No Director of the Company served as a director of any member of the Schroder Group at any time during the year.

18. Related party transactions

Details of the remuneration payable to Directors are given in the Directors' Remuneration Report on pages 52 to 54 and details of Directors' shareholdings are given in the Directors' Remuneration Report on page 54 of the full annual report and financial statements. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2024: nil).

19. Disclosures regarding financial instruments measured at fair value

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

FRS 102 requires financial instruments to be categorised into a hierarchy consisting of the three levels below.

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 valuation techniques used by the Company are given in note 1(b).

At 31 August 2025, all investments in the Company's portfolio are categorised as Level 1 (2024: same).

20. 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 direct exposure to foreign exchange risk on monetary items. The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

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

- investments in equity shares which are held in accordance with the Company's investment objectives;
- short-term debtors, creditors and cash arising directly from its operations; and
- loans drawn on a facility, the purpose of which are to assist with financing the Company's operations.

(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 analysis where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings 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 board's policy is to permit gearing up to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets. Any amount drawn on the facility would normally be for a one month period, at the end of which the drawdown may be rolled over, adjusted or repaid, and the interest rate is re-set. These amounts have been included in the analysis below, although the exposure to interest rate changes is not significant as any drawings can be repaid at the end of the one month period under the terms of this flexible arrangement.

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
Cash and cash equivalents	1,520	1,692
Creditors falling due within one year: bank loan	(26,000)	(30,000)
Total exposure	**(24,480)**	**(28,308)**

Cash balances earn interest at a floating rate based on the Sterling Overnight Index Average (2024: Sterling Overnight Index Average).

The Company agreed to a new £30.0 million secured revolving credit facility with The Bank of Nova Scotia, London Branch, effective 20 September 2024. Interest payable is calculated at the aggregate of the compounded daily Risk Free Rate ("RFR"), plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 31 August 2025, the Company had drawn down £26.0 million (2024: £30.0 million), for a one month period at an interest rate of 5.03% (2024: 6.28%) per annum.

The above year end amounts are not representative of the exposure to interest rates during the current or comparative year as the level of cash balances and drawings on the facility have fluctuated. The maximum and minimum exposure during the year was as follows:

	2025 £'000	2024 £'000
Minimum debit interest rate exposure during the year - net debt	(24,387)	(24,828)
Maximum debit interest rate exposure during the year - net debt	(29,295)	(29,635)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2024: 1.0%) 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 statement of financial position date which are exposed to interest rate movements, with all other variables held constant.

Statement of comprehensive income - return after taxation	2025 1.0% increase in rate £'000	2024 1.0% decrease in rate £'000	1.0% increase in rate £'000	1.0% decrease in rate £'000
Revenue return	(89)	89	(103)	103
Capital return	(156)	156	(180)	180
Total return after taxation	(245)	245	(283)	283
Net assets	**(245)**	**245**	**(283)**	**283**

Due to UK interest rates declining by 1.0% over the course of the year, the interest rate sensitivity has been kept at 1.0%.

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes as the level of cash balances and drawings on the facility will fluctuate.

(ii) Other price risk

Market price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of investments.

Management of market price risk

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

Market price risk exposure

The Company's total exposure to changes in market prices at 31 August comprised the following:

	2025 £'000	2024 £'000
Investments held at fair value through profit or loss	259,636	258,409

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

Concentration of exposure to market price risk

An analysis of the Company's investments is given on pages 20 and 21 of the full annual report and financial statements. The portfolio principally comprises securities of companies listed on the London Stock Exchange and accordingly there is a concentration of exposure to economic conditions in the UK. However it should be noted that many of these companies conduct much of their business overseas. Furthermore, up to 20% of the portfolio may be listed on overseas stock exchanges.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2024: 20%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's exposure through equity investments and includes the impact on the management fee but assumes that all other variables are held constant.

	2025		2024	
Statement of comprehensive income - return after taxation	**20% increase in fair value £'000**	**20% decrease in fair value £'000**	**20% increase in fair value £'000**	**20% decrease in fair value £'000**
Revenue return	(93)	93	(93)	93
Capital return	51,787	(51,787)	51,542	(51,542)
Total return after taxation and net assets	**51,694**	**(51,694)**	**51,449**	**(51,449)**
Change in net asset value	**21.9%**	**(21.9%)**	**22.2%**	**(22.2%)**

(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 liquidity risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. The facility is also available to provide liquidity at short notice. The Board's policy is for the Company to remain fully invested in normal market conditions. The facility may be used to manage working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of undiscounted 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	558	444
Bank loan - including interest	26,109	30,157
	26,667	**30,601**

(c) Credit risk

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

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

The Company invests in markets that operate a "Delivery Versus Payment" settlement process which mitigates the risk of losing the principal of a trade during settlement. The Manager continuously monitors dealing activity to ensure best execution, which involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparties must be pre-approved by the Manager's credit committee.

Exposure to the custodian

The custodian of the Company's assets is HSBC Bank plc which has long-term Credit Ratings of AA- with Fitch and A3 with Moody's. Refer to note 22 for details of a change to the custodian. The Company's investments are held in accounts which are segregated from the custodian's own trading assets. If the custodian were to become insolvent, the Company's right of ownership of its investments is clear and they are therefore protected. However the Company's cash balances are all deposited with the custodian as banker and held on the custodian's balance sheet. Accordingly, in accordance with usual banking practice, the Company will rank as a general creditor to the custodian in respect of cash balances.

Credit risk exposure

The following amounts shown in the statement of financial position, represent the maximum exposure to credit risk at the current and comparative year end.

	2025		2024	
	Statement of financial position £'000	Maximum exposure £'000	Statement of financial position £'000	Maximum exposure £'000
Current assets				
Debtors - dividends and interest receivable and other debtors	1,658	1,658	1,909	1,909
Cash and cash equivalents	1,520	1,520	1,692	1,692
	3,178	**3,178**	**3,601**	**3,601**

No debtors are past their due date and none have been written down or deemed to be impaired.

(d) Fair values of financial assets and financial liabilities

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

21. Capital management policies and procedures

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

The Company's debt and capital structure comprises the following:

	2025 £'000	2024 £'000
Debt		
Bank loan	26,000	30,000
Equity		
Called-up share capital	6,946	6,946
Reserves	229,300	224,615
	236,246	**231,561**
Total debt and equity	**262,246**	**261,561**

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to permit gearing up to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

	2025 £'000	2024 £'000
Borrowings used for investment purposes, less cash	24,480	28,308
Net assets	236,246	231,561
Gearing	10.4%	12.2%

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 includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back the Company's own shares for cancellation or to hold in treasury, which takes into account the share price discount;
- the opportunities for issues of new shares; and
- the amount of dividend to be paid, in excess of that which is required to be distributed.

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

Effective 1 September 2025, the management fee was reduced from 0.45% to 0.40%. Such fees will be charged on the lesser of market capitalisation or cum NAV of the Company.

In addition, effective the same date, the separate fee for secretarial and administration services was eliminated.

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 5 September 2025.

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

Status of results announcement

2025 Financial Information

The figures and financial information for 2025 are extracted from the annual report and financial statements for the year ended 31 August 2025 and do not constitute the statutory accounts for that year. The annual report and financial statements include the Report of the Independent Auditors which is unqualified and does not contain a statement under either section

498(2) or section 498(3) of the Companies Act 2006. The annual report and financial statements will be delivered to the Registrar of Companies in due course.

2024 Financial Information

The figures and financial information for 2024 are extracted from the published annual report and financial statements for the year ended 31 August 2024 and do not constitute the statutory accounts for the year. The annual report and financial statements have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.