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Schroder Income Growth Fund PLC
10 November 2026
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SCHRODER INCOME GROWTH FUND PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2026

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Schroder Income Growth Fund plc (the â€œCompanyâ€) hereby submits its annual report and financial statements for the year ended 31 August 2026 (the â€œannual reportâ€) as required by the Financial Conduct Authorityâ€™s Disclosure Guidance and Transparency Rule 4.1.

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Ewen Cameron Watt, Chairman of the Company, commented:

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â€œYour Company again met its primary target of increasing dividends in excess of the rate of inflation. Strong share price performance aided by share repurchases gave shareholders a competitive return in excess of the FTSE All-Share Total Return Index.â€

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Key highlights

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- The Company achieved its 31st consecutive year of dividend growth, maintaining its position as one of the AICâ€™s Dividend Heroes, with dividend growth exceeding inflation over one, three and ten years.
- The Company delivered a NAV total return of 19.0% and a share price total return of 23.0%, compared with 21.3% for the FTSE All-Share Total Return Index (the â€œIndexâ€). Longer-term performance remains ahead of the Index since the Investment Manager assumed responsibility for the portfolio in July 2011.
- The portfolio remains focused on companies with attractive profits and cash flows and strong balance sheets, while providing diversified exposure to a broad range of growth drivers and international revenues.
- The discount averaged 6.8% during the year and narrowed to 5.3% at the year end. The Company repurchased 3,000,411 ordinary shares for treasury, representing 4.4% of issued share capital.

Results webinar

Join the Companyâ€™s Portfolio Manager, Sue Noffke, for a webinar reporting on the year ended 31 August 2026 and to discuss the outlook for the Companyâ€™s portfolio. The webinar will take place on Thursday, 12 November 2026 at 2.00pm (GMT). Register for the event at https://www.schroders.events/event/SCF26/Usage

The Companyâ€™s annual report 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 Â

The Companyâ€™s annual report, 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:Â https://data.fca.org.uk/#/nsm/nationalstoragemechanism. A separate announcement will be released once this has taken place.

Enquiries:

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Schroder Investment Management Limited

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Kirsty Preston (PR)	020 7658 1961
Francesca Davis (Company Secretary)	020 7658 6000

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Chairmanâ€™s Statement

I am pleased to present the annual results of Schroder Income Growth Fund plc (â€œyour Companyâ€) for the year ended 31 August 2026. Your Company again met its primary target of increasing dividends in excess of the rate of inflation.

Performance

During the year under review, your Company delivered a NAV total return of 19.0%, and a share price total return of 23.0%, as the discount to NAV narrowed. This compares with a return of 21.3% from the FTSE All-Share Total Return Index (the â€œIndexâ€). Returns were supported by investments across technology, banking, mining and infrastructure, although performance lagged the Index as weakness in consumer discretionary, healthcare, and financials weighed on returns. Whilst it is disappointing to lag Index returns at NAV level, the strong share price performance aided by share repurchases gave shareholders aÂ competitive return in excess of the Index.

Your Company achieved its 31st consecutive year of dividend growth, maintaining its position among the AICâ€™s Dividend Heroes. This reflects the partial use of reserves and the enduring strength of your Companyâ€™s investment approach. Your Board continues to believe that distributions to shareholders are able to draw on both revenue and, potentially, capital since both form part of your equity. Furthermore, the trend of underlying companies returning capital to shareholders through share repurchases and dividend growth matches our policy of distributing from revenue and capital.

Further information on performance is provided in the Investment Managerâ€™s Review.

Revenue and dividends

Dividends per share for the year increased by 4.1% to 15.30p. Over the one-, three- and ten-year periods, dividend growth has exceeded inflation, enabling shareholdersâ€™ income to increase in real terms. In this context it is worth noting that total dividends paid by UK companies remain below 2019 levels but your dividend per share has increased by 23.0% over the same period.

Earnings per share rose by 8.5% to 13.62p. The dividend of 15.30p was 0.89x covered by earnings. Following payment of the fourth interim dividend on 30 October 2026, the revenue reserve stood at Â£3.3 million, equivalent to 5.07p per ordinary share, or more than three months of the annual dividend.

Although your Company has drawn on its revenue reserves in previous years to support real dividend growth, your Board remains

committed to increasing dividend payments at a rate that exceeds inflation. While the income environment remains challenging, your Company continues to benefit from strong overall reserves and underlying income growth. The ability to manage reserves over time is a key advantage of the investment trust structure, providing the flexibility to support a progressive dividend policy through varying market conditions.

Discount management

Your Board continues to take an active approach to managing both the level and volatility of the discount at which your Companyâ€™s shares trade relative to NAV, with the objective of maintaining the discount within single digits under normal market conditions. Your Companyâ€™s average discount during the financial year was 6.8%, and it ended the financial year at a discount of 5.3%.

ï»¿During the financial year, your Company repurchased 3,000,411 ordinary shares for treasury, representing 4.4% of the issued share capital, for total consideration of approximately Â£10.7Â million. The average price paid was Â£3.53 per share. These repurchases contributed approximately 0.3% to NAV accretion. Your Board will continue to buy back shares where this would meaningfully enhance asset value per share. As at 5 November 2026, your Companyâ€™s share price discount to NAV was 5.7%.

Gearing

During the financial year, your Company had in place a one-year Â£30 million revolving credit facility with The Bank of Nova Scotia, London Branch. Following the maturity of this facility, your Company entered into an amendment and restatement agreement in September 2026 with the Bank of Nova Scotia, London Branch for a Â£25 million revolving credit facility on an evergreen basis.

The average level of gearing during the year was 9.5%, with your Company finishing the year with gearing at 9.8%.

Board composition and succession

In May 2026, your Board announced that Victoria Muir, who has served as a Non-Executive Director of your Company since July 2019 and as Senior Independent Director since December 2022, will succeed me as Chairman following the conclusion of the Annual General Meeting (â€œAGMâ€) on 10 December 2026.

Following a search led by the Nomination Committee, with the assistance of an external recruitment firm, your Board was pleased to announce the appointment of David Ballance as aÂ Non-Executive Director, with effect from 3 September 2026. DavidÂ brings approximately 37 years of investment experience to your Board, including 15 years as a portfolio manager at Ruffer LLP, from which he retired in 2022.

In conjunction with this annual report, your Board is also announcing the following changes to committee leadership and the Senior Independent Director role, which will take effect from the conclusion of your Companyâ€™s AGM on 10 December 2026:

â€¢Â June Aitken as Senior Independent Director and Chairman of the Management Engagement Committee;

â€¢Â Victoria Muir as Chairman of the Nomination Committee; and

â€¢Â David Ballance as Chairman of the Remuneration Committee.

I am pleased that your Company will benefit from these orderly and well-planned transitions, and from a Board that brings aÂ broad range of experience and backgrounds to its role of representing shareholdersâ€™ interests.

Schroders combination with Nuveen

On 22 September 2026, Schroders plc (now Schroders Limited) announced that all antitrust and regulatory approval conditions relating to Nuveenâ€™s recommended acquisition of Schroders had been satisfied or waived. The transaction became effective on 1Â October 2026 following satisfaction of the remaining conditions, including court sanction and associated procedural steps. Further details are available on the Schroders website: https://www.schroders.com/en/global/individual/nuveenoffer/.

Your Board has closely monitored the process of this combination and will continue to do so to ensure your interests are being best served.

AGM

Your Companyâ€™s 2026 AGM will be held at 12.30pm on Thursday, 10 December 2026 at 1 London Wall Place, London, EC2Y 5AU. Your Board strongly encourages shareholders to attend and participate. Attendees will have the opportunity to hear aÂ presentation from your Investment Manager, and refreshments will be available.

All voting will be conducted by poll. Shareholders are encouraged to register their vote with your Companyâ€™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 and its Explanatory Notes on pages 78 to 80. 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 Managerâ€™s investment trusts update, available at https://schro.link/scf_subscribe.

Changes to the Articles of Association

In light of activity by activist investors in the investment company sector, your Board is proposing to make amendments to your Companyâ€™s Articles of Association (the â€œArticlesâ€) to introduce aÂ contingency process in the event that, following its annual general meeting or any other general meeting, your Company is left with no Directors, or fewer than the minimum number of directors required by law or the Articles.

In such circumstances, the proposed amendments provide for the automatic and temporary appointment or re-appointment of the minimum number of individuals required to fill the vacancies, drawn from those who stood for appointment or were removed at the relevant general meeting, prioritising those who received the greatest level of shareholder support. Your Board will then be required to appoint new, replacement directors as soon as possible following the meeting, after which the temporary directors will retire. This process ensures that shareholder decisions regarding the composition of your Board are respected, while also safeguarding the orderly management and legal standing of your Company.

This approach has been informed by guidance from the Association of Investment Companies (the â€œAICâ€), which has specifically recommended that investment companies review and, where necessary, amend their articles to ensure the company can continue to operate if insufficient directors are elected or re-elected at a general meeting.

In addition, your Board is proposing to extend the period within which proposals for the liquidation, unitisation or reorganisation of your Company must be put to shareholders following an unsuccessful continuation vote from three months to six months and is taking the opportunity to make a number of other minor amendments to the Articles.

The principal changes proposed to be introduced in the Articles, and their effect, are set out in more detail on pages 76 and 77.

Results webinar

Shareholders are invited to join your Investment Manager, Sue Noffke, for a webinar reporting on the year ended 31 August 2026 and

to discuss the outlook for your Companyâ€™s portfolio. The presentation will be followed by a live Q&A session.

The webinar will take place on Thursday, 12 November 2026 at 2.00pm (GMT). Register for the event at https://www.schroders.events/event/SCF26/Usage

Outlook

While geopolitical tensions, inflationary pressures and higher bond yields continue to create uncertainty, the UK market benefits from attractive valuations, resilient corporate earnings, strong balance sheets and increasing corporate investment activity. Your Investment Manager continues to deliver aÂ diversified portfolio with exposure to a broad range of growth drivers and international revenues to meet your Companyâ€™s objectives of growing income and long-term capital appreciation for shareholders.

ï»¿It was particularly pleasing that over 95% of votes cast in the continuation vote in December 2025 supported your Companyâ€™s current structure. In effect this represents a vote of confidence that your Company can meet shareholder needs over the next five years. IÂ know that the ongoing Board are anything but complacent about the necessity of meeting our shared objectives and far from blind to the changing dynamics of the investment trust sector. Whatever they do will be guided as has always been the case by your interests alone. In practice this means a sharp focus on investment performance and capability, effective capital management to support returns, purposeful communication, and efficient management of costs.

On a personal note, this is my last statement as your Chairman. Over the period since I joined your Board in 2017, we have delivered strong dividend growth and achieved a significant reduction in overall costs. Whilst there is a commonly expressed view that investment trusts need to be much larger to meet shareholder needs, we see this as secondary to meeting your principal requirement of real dividend growth. Your Investment Manager charges fees on the lower of market capitalisation or NAV, meaning that you directly benefit from any discount to NAV. This is by no means common in the investment trust industry where total costs remain higher than they need be.

It has been a privilege to have served on your Board. I wish the ongoing Board, management team, and shareholders well in the years ahead.

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Ewen Cameron Watt
Chairman

9 November 2026

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Investment Managerâ€™s Review

â€œFor your Investment Manager, attractive returns start with valuation: finding companies with the potential to generate cash, invest intelligently and reward their shareholders.â€

Introduction

During the year ended 31 August 2026, your Company delivered a NAV total return of 19.0%. This compares with a return of 21.3% from the FTSE All-Share Index and an average of 19.8% from the AIC UK Equity Income peer group. The share price total return was 23.0%, with the discount to NAV moving from 8.2% to 5.3%.

Over the longer term, returns remain ahead of the index. Since your Investment Manager assumed responsibility for the portfolio in July 2011, your Company has delivered an annualised NAV total return of 8.7%, compared with 8.1% for the FTSE All-Share Index.

Income

Dividend income was broadly unchanged on the previous year at Â£10.3 million, as was total income at Â£10.4 million. Three factors explain this: repositioning the portfolio, continued preference by companies to reward shareholders through a combination of dividends and share buybacks, and the rebasing of dividends at aÂ small number of holdings.

Profits were taken in several strongly performing holdings with relatively high dividend yields and strong dividend growth, including **Lloyds Banking Group, Standard Chartered, TP ICAP** and **3i Group**. The portfolio exited its high yielding property holdings early in the year following takeover activity.

Capital was recycled into a range of investment opportunities. Turnaround situations, such as **Diageo** and **Croda**, businesses nearing the end of a restructuring, such as **Reckitt Benckiser**, those investing for growth, **Weir**, and companies that had de-rated on fears of artificial intelligence (â€œAIâ€) disruption. Among the latter, **RELX** and **London Stock Exchange Group** (â€œLSEGâ€) have lower dividend yields than the market but highly attractive free cash flow yields, which they are using both to invest in their businesses and to reward shareholders through progressive dividends and substantial share buybacks.

Across the portfolio, dividend growth was more varied than in the past couple of years. The strongest growth came from the portfolioâ€™s holdings in banks which enjoyed a â€œgoldilocksâ€ environment of higher-for-longer interest rates and benign credit conditions, and mining companies, which benefited from stronger commodity prices. **Glencore, Standard Chartered, NatWest, Rio Tinto** and **Lloyds** recorded the strongest dividend growth whilst other financial companies, such as **TP ICAP, Lancashire Holdings, LSEG**, and **Prudential**, achieved dividend growth in the teens. A large number of holdings increased their dividends steadily, by mid-single digits to double digits. Holdings seeing attractive investment opportunities favoured low dividend increases, while a few, mainly new holdings, left theirs unchanged.

Four portfolio companies rebased their dividends. **Diageo** and **Taylor Wimpey** reduced theirs to protect their balance sheets after weaker trading. **Pets at Home** and **Telecom Plus** made larger cuts, but maintained the overall amount returned to shareholders through share buybacks.

The way UK companies return capital to shareholders has changed materially in recent years. The pandemic prompted aÂ significant reset in dividends, while attractive equity valuations have encouraged companies increasingly to combine ordinary dividends with share buybacks. As a result, ordinary dividends are generally better covered, while buybacks have become a more significant component of overall shareholder returns.

Although aggregate UK dividends remain below their pre-pandemic peak, this does not fully reflect the strength of corporate earnings, cash generation and balance sheets. When share buybacks are included, total capital returned to shareholders has been significantly higher. Buybacks have averaged around Â£50 billion annually since 2022 and, alongside dividends, have taken total annual shareholder distributions to around Â£140 billion, above the comparable level in 2019.

This change in capital allocation is also evident within the portfolio. As at 31 August 2026, 26 of 46 holdings, representing 64% of the portfolio, had announced share buyback programmes during the year. Buybacks have also become more prevalent among mid-sized companies, including **Hollywood Bowl, Fevertree** and **QinetiQ**. Across the portfolio, announced buybacks during the period were equivalent to approximately 2% of portfolio value, supplementing the income received through ordinary dividends.

Your Investment Manager continues to focus on companies capable of generating attractive profits and cash flows while maintaining

strong balance sheets. Capital can then be allocated between investment for future growth, acquisitions, dividends and share buybacks. When undertaken at attractive valuations, buybacks can enhance per-share measures and represent a disciplined use of surplus capital.

The investment trust advantage

The changing composition of shareholder distributions highlights an important advantage of the investment trust structure. Your Company is not solely dependent on dividends received from portfolio companies in any given year when determining its own dividend. Revenue reserves built up in stronger years can be used to support shareholder distributions when portfolio income is lower, helping to deliver a smoother progression of income through different market environments.

Your Company entered this period with substantial revenue reserves accumulated during earlier years of strong income growth. AsÂ companies have increasingly balanced dividends with share buybacks, part of these reserves has been used to supplement portfolio income and support continued dividend growth. Following payment of the 2026 fourth interim dividend, revenue reserves stood at 5.07 pence per share, equivalent to three months of the current annual dividend.

Your Company also has significant distributable capital reserves which, alongside revenue reserves, provide valuable flexibility to support a progressive and sustainable dividend through different market and corporate capital-allocation cycles. This flexibility is particularly important as companies increasingly choose between dividends and share buybacks when returning surplus capital. Your Company's strategy work has identified these reserves as a key investment trust advantage in meeting its objective of delivering real income growth over time.

Market background

UK equities performed strongly over the period with returns comparing favourably with most other developed equity markets. This continues the run of strength seen in recent years.

Geopolitical tensions, including conflict in Iran and the continuing Russia-Ukraine war, contributed to higher inflation expectations and bond yields, prompting markets to reassess the outlook for interest rates. AI was another important influence, as substantial investment in the technology fuelled both enthusiasm and growing concerns over disruption to existing business models and the returns likely to be generated on the capital invested. In the UK, political change continued, with Andy Burnham replacing Sir Keir Starmer as Prime Minister in July.

Despite the uncertain backdrop, resilient corporate earnings and economic activity proved supportive to markets, while the UK benefited from its sector mix and elevated M&A activity, as overseas companies and private equity continued to take advantage of relatively low valuations.

Takeover activity accelerated during the year, with M&A involving UK companies doubling to Â£65 billion in the first eight months of 2026, largely driven by international buyers. The portfolio had less exposure to this activity than in previous years, although **Intertek** received a private equity approach. The premiums being paid provide further evidence of the value embedded in UK equities, but continued M&A also reinforces the need to retain high-quality listed businesses and attract new companies to the UK public markets.

Portfolio performance

Against this backdrop, the portfolio delivered a strong absolute return, with positive contributions from a number of holdings. **Computacenter** benefited from AI-related capital expenditure in its US business, while **Standard Chartered** was supported by the interest rate environment and strong growth in Asian wealth management. **Rio Tinto** performed well, reflecting its diversified commodity exposure and favourable supply-demand dynamics. Long-term holding **Balfour Beatty** also continued to perform strongly, supported by a substantial pipeline of UK power transmission and distribution projects and healthy support services order books in the UK and US, providing good visibility on future growth.

The portfolio nevertheless trailed the Index, with consumer discretionary, healthcare and financials the main sector detractors. Consumer discretionary, where the portfolio is overweight, had the greatest impact. **Burberry** was affected by weaker sentiment towards luxury goods, particularly in China, despite continued operational improvements under its new chief executive. **Whitbread** came under pressure following UK Budget measures which significantly increased its cost base. An activist shareholder subsequently called for a strategic review. In financials, ICG underperformed amid a broader de-rating of private market asset managers, despite continued strength in fundraising, fee-related earnings and cash generation. **Telecom Plus** also detracted after warning of lower 2027 earnings as renewed competition in the energy market led to increased customer churn.

Relative performance also benefited from several stocks not held in the portfolio. Experian and Sage were affected by concerns over potential AI disruption to software and data services businesses, while the absence of tobacco holdings also contributed positively as the sector lagged the broader market.

Portfolio activity

During the year, your Investment Manager established ten new holdings and exited twelve. Mining exposure was increased as confidence grew in the outlook for a number of commodities, particularly copper, where structural demand growth is meeting constrained new supply. Following additions to **Rio Tinto**, some resultant profits were reallocated into new positions in **Glencore** and **Anglo American**, increasing exposure to copper and other critical minerals and reflecting the potential for further industry consolidation.

Three new industrial holdings were established. **Rolls-Royce** was purchased following significant operational and cultural improvements made under its current management and the strengthening outlook for profitable growth. **Rosebank Industries** was added for its experienced management team and proven â€˜Buy, Improve, Sellâ€™ model, with the position subsequently increased as the company pursued further acquisitions. The purchase of **Weir** has added exposure to increased investment in mining and the growing complexity of mineral extraction.

Significant share price weakness across data and information businesses provided an opportunity to establish a position in **LSEG** and add to **RELX**. Your Investment Manager believes concerns over AI disruption underestimate the value of their proprietary, trusted data and deeply embedded customer relationships, while AI itself should provide opportunities to enhance their products and services.

Within consumer staples, a significant new holding was established in **Reckitt Benckiser**, where corporate simplification is an important part of the investment case. The divestment from its Essential Home business and proposed sale of Infant Nutrition should leave a simpler, faster-growing group with greater exposure to emerging markets. The holding in **Diageo** was also increased significantly following a substantial de-rating. New chief executive Sir Dave Lewis brings considerable turnaround experience and the potential for a sharper focus on operational execution.

Elsewhere, **Croda** was purchased following a substantial de-rating, with scope for recovering demand, operational efficiencies and margin recovery to rebuild earnings and improve cash generation. The company has strong positions in attractive, innovation-led speciality chemical markets and has invested significantly in its asset base.

Towards the end of the period, new positions were established in mid-cap companies **Victrex** and **B&M European Value Retail**. Both are established franchises where prolonged share price weakness, combined with strong market positions and new management teams, has created attractive recovery opportunities.

In part, the new investments were funded by selling successful holdings where strong performance had resulted in a material re-rating. These included **3i Group** and **Tesco**, where the valuation opportunities that originally attracted your Investment Manager had largely been realised. **BAE Systems** was also sold, with the capital reallocated in full to the new position in **Rolls-Royce**.

Following strong performance, several holdings were resized to reflect a change in their prospective risk/reward, including **Balfour Beatty, TP ICAP, Computacenter, Lloyds** and **Standard Chartered**.

Disciplined portfolio management also involves selling when conviction in an investment case diminishes. Positions in **Pets at Home**, **Associated British Foods, Legal & General** and **Smith & Nephew** were exited during the year. **Pearson** was also sold, reflecting uncertainty over its positioning in an increasingly AI-enabled education market.

M&A accounted for several other exits, including **Empiric Student Property, Primary Health Properties** and **Intertek**.

Strategy and outlook

Strong equity markets invite caution as well as optimism. While the future is inherently uncertain, your Investment Manager continues to see more reasons for confidence than concern over the longer term, reflected in the portfolioâ€™s continued use of gearing.

The UK market remains attractively valued and offers a diversified sector mix, with less dependence on the AI theme than some other major markets. Corporate earnings have remained resilient, while investment across areas including AI, power, critical minerals, electrification, defence and infrastructure provides a broad range of potential growth drivers. Strong balance sheets and cash generation continue to support attractive shareholder returns, while there are encouraging signs that UK companies are increasingly willing to invest for growth.

Valuation opportunities remain particularly evident among small and mid-sized companies, an area where your Investment Manager has historically found attractive stock-specific opportunities. Continued takeover activity provides further evidence of the value strategic and financial buyers see in UK businesses. At the same time, the loss of companies from the listed London Stock Exchange reinforces the importance of retaining successful existing businesses while attracting the next generation of companies to the UK public markets.

The portfolioâ€™s underlying exposure is also considerably more international than its UK listings might suggest. While 25% of portfolio revenues are generated in the UK, North America accounts for a further 25%, Emerging Markets 17% and Continental Europe and the Middle East 14%, providing access to a diverse range of global growth drivers. Your Company also has the flexibility to invest directly in overseas companies and currently makes use of this ability, further broadening the opportunity set available to your Investment Manager.

Set against these opportunities are risks from geopolitics, inflation, interest rates and elevated government borrowing, all of which could contribute to periods of market volatility. After strong equity market returns, valuations in some areas also leave less room for disappointment, including around the returns ultimately generated from the substantial investment being made in AI.

Rather than attempting to predict how these uncertainties will unfold, your Investment Manager remains focused on individual companies and the balance of risk and reward. Your Company has increased its dividend every year since 1996, with dividend growth over that period exceeding inflation. With attractive valuations, diversified sources of revenue and a broad opportunity set, the portfolio is positioned to pursue its objectives of real growth in income and, as a consequence of that rising income, capital growth.

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.

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Sue Noffke
Schroder Investment Management Limited

9 November 2026

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Risk Report

The Board, through its delegation to the Audit and Risk Committee, is responsible for the Companyâ€™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 Companyâ€™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 Companyâ€™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 Companyâ€™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.

In light of the requirements of Provision 34 of the AIC Code, the Audit and Risk Committee has continued to review and enhance the Companyâ€™s risk management and internal control framework. The Committee has identified the principal risks that could have the most significant impact on the Companyâ€™s ability to achieve its strategic and investment objectives and continue in operation. During the year under review, and continuing after the year end, the Board has been identifying the material controls designed to address those risks, together with the principal sources of assurance over their effectiveness. This work remains ongoing, and the Board plans to undertake a dry-run assessment of the design and operating effectiveness of the relevant controls in preparation for the enhanced reporting requirements.

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 2026.

During the year, the Board discussed and monitored a number of risks which could potentially impact the Companyâ€™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, inflation and corresponding interest rate levels which could affect the asset class. However, these are not factors which explicitly impacted the Companyâ€™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 Committeeâ€™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 Companyâ€™s principal risks and uncertainties are set out in the table below.

The â€œChangeâ€ column on the right highlights at a glance the Boardâ€™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.

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Risk	Mitigation and management	Change
Investment, strategy, and business		
Failure to meet the investment objective		↔
Failure to meet the investment objective could make the Company less attractive to investors and adversely affect demand for its shares.	The Board regularly reviews performance against the Companyâ€™s investment objective including income delivery, and compliance with the investment policy and restrictions. Revenue forecasts and reserves are monitored and the Board may use available reserves, where appropriate, to support the real growth of income investment objective.	Â
Inappropriate investment strategy		↔
The Companyâ€™s investment strategy may become out of line with investor requirements, including expectations in relation to ESG and climate change, or may fail to differentiate the Company in a crowded sector and against competing investment vehicles. The portfolio may not be managed in accordance with the agreed investment objective, policy and restrictions.	The Board regularly reviews the investment mandate and long-term investment strategy, including the Companyâ€™s differentiation from peers and competing products, and holds aÂ separate annual strategy meeting. Investment performance, portfolio activity and compliance with the investment objective, policy, and restrictions are monitored regularly. The Investment Managerâ€™s investment process incorporates consideration of ESG and climate-related factors, where relevant. The Board receives reporting from the Investment Manager on these matters where appropriate. The Investment Manager and corporate broker monitor market feedback, which is considered by the Board. The Board also conducts an annual review of the ongoing suitability of the Manager, including its resources and key personnel.	Â
Investment performance, scale and cost base		↔
The Companyâ€™s cost base could become uncompetitive if its size reduces, including as a result of poor investment performance or reduced investor demand, particularly when compared with alternative investment products.	The Board regularly reviews investment performance against the Companyâ€™s objective and peer group, including NAV and share price performance, and discount levels. The Board reviews income forecasts and monitors net assets, share liquidity, buyback activity and expenses at each meeting. Significant non-routine expenses require Board approval. The Management Engagement Committee reviews the investment management fee at least annually, and fees charged by other key service providers are monitored on an ongoing basis. The Board monitors market developments and considers the strategic implications of changes in scale. During the year, reductions in the investment management fee and other service provider costs contributed to a reduction in the Companyâ€™s ongoing charges ratio to 0.57%.	Â
Loss of continuation vote		↓
The Companyâ€™s Articles of Association require the Board to put a proposal for the continuation of the Company in its current form to shareholders every fiveÂ years. There is a risk that shareholder approval may not be obtained at a future continuation vote.	The Manager and the corporate broker engage with shareholders to understand investor sentiment and regularly provide feedback to the Board. The Chair meets major shareholders where possible and Directors engage directly with shareholders at AGMs. At the December 2025 AGM, the resolution for the Company to continue in its present form for a further five years was passed with 95.79% of votes cast in favour. The Board will continue to assess the Companyâ€™s proposition and put a proposal to shareholders at the next continuation vote in 2030.	Â
Key person and organisational change		↔

The loss of key investment personnel or other organisational changes could adversely affect the management of the Company and its investment performance.	The Board monitors key-person and succession risk, together with the resources available to the Company. The Management Engagement Committee reviews the ongoing suitability and resourcing of the AIFM and Investment Manager annually. The Board also receives regular updates on significant organisational changes and their potential impact on the Company. In this respect, the Board continues to closely monitor developments following the completion of the combination between Schroders and Nuveen in October 2026.	Â
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 shareholdersâ€™ funds.	Â
Regulatory, compliance and control		
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 ActÂ 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 Companyâ€™s published annual report, are subject to stringent review processes. Procedures have been established to safeguard against disclosure of inside information.	Â
Service provider and cyber risk		↑
The Company has no employees and has delegated certain functions to aÂ number of service providers. Failure or disruption at a key service provider, including as a result of operational change, control failures, a cyber security incident, or a failure to appropriately monitor material ESG and climate change matters, could lead to financial loss, disruption or reputational damage.	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 their cyber security, information security, and confirmation of business continuity arrangements, are reviewed annually. As part of its ongoing monitoring, the Board obtains confirmation from relevant service providers that appropriate policies, statements and procedures are in place in relation to ESG and climate-related matters. The Directors are invited to an annual internal controls briefing session, hosted by the Manager, in respect of the internal controls of the Companyâ€™s key service providers including depositary and custodian and the Managerâ€™s cyber, and internal audit team. Material changes to service providers are subject to appropriate transition planning and Board oversight. In this respect, the Board continued to monitor the post-implementation delivery of the custodian, depositary, and fund administration services following their transfer to J.P. Morgan in September 2025.	Â
Custody		↔
Safe custody of the Companyâ€™s assets may be compromised through control failures by the depositary.	The depositary reports on the safe custody of the Companyâ€™s assets, including cash and portfolio holdings, which are independently reconciled with the Managerâ€™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. Annual external audit provides further assurance over asset safeguarding.	Â
Macro, geopolitical and other exogenous risks		
Economic, market, and currency		↑

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 Companyâ€™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.	The risk profile of the portfolio is considered by the Board and appropriate strategies to mitigate the impact of substantial changes in markets or currencies are discussed with the Investment Manager. There are inherent risks involved in stock selection. The Investment Manager is experienced, monitors the impact of currency movements on the portfolio, may adjust portfolio exposures where appropriate, and has a long track record in successfully investing in public equity holdings. The portfolio is managed with appropriate diversification in accordance with the Companyâ€™s investment policy.	Â

Emerging risks	**Â**

Artificial Intelligence (â€œAIâ€)

Whilst the development of AI presents opportunities and potential benefits, including the risk of failing to embrace these, it also creates potential risks for businesses across almost every sector. These include the impact of AI on investments, its use in fund management strategies and the development or enhancement of competing products and services. The extent and nature of the risks and opportunities presented by AI remain difficult to assess as the technology continues to develop. The Board therefore considers AI to be an emerging risk and, together with the Manager and Investment Manager, will monitor relevant developments and their potential implications for the Companyâ€™s investment strategy, portfolio and competitive environment.

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Statement of Directorsâ€™ Responsibilities in respect ofÂ 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. InÂ preparing these financial statements, the Directors are required to:

â€¢Â select suitable accounting policies and then apply them consistently;

â€¢Â state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

â€¢Â 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 Companyâ€™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 Directorsâ€™ 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 Companyâ€™s web pages. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directorsâ€™ statement

Each of the Directors, whose names and functions are listed on pages 36 and 37, confirm that to the best of their knowledge:

â€¢Â the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 â€œThe Financial Reporting Standard applicable in the UK and Republic of Irelandâ€ and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;

â€¢Â 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

â€¢Â 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 Companyâ€™s position and performance, business model and strategy.

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On behalf of the Board

Ewen Cameron Watt
Chairman

9 November 2026

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Statement of Comprehensive Income

for the year ended 31 August 2026

Â Â Â	Â Â Note	2026 Revenue Â£â€™000	Â Capital Â£â€™000	Â Total Â£â€™000	2025 Revenue Â£â€™000	Â Capital Â£â€™000	Â Total Â£â€™000
Gains on investments held at fair value through profit or loss	2	â€“	34,887	34,887	â€“	13,373	Â13,373
Net foreign currency losses	Â	â€“	(110)	(110)	â€“	(12)	Â(12)
Income from investments	3	10,304	â€“	10,304	10,332	â€“	Â10,332

Other interest receivable and similar income	3	111	â€“	111	92	â€“	Â92
Gross return	**Â**	**10,415**	**34,777**	**45,192**	**10,424**	**13,361**	**23,785**
Management fee	4	(377)	(565)	(942)	(460)	Â(691)	Â(1,151)
Administrative expenses	5	(370)	â€“	(370)	(611)	â€“	Â(611)
Net return before finance costs and taxation	**Â**	**9,668**	**34,212**	**43,880**	**9,353**	**Â12,670**	**Â22,023**
Finance costs	6	(488)	(733)	(1,221)	(643)	Â(965)	Â(1,608)
Net return before taxation	**Â**	**9,180**	**33,479**	**42,659**	**8,710**	**Â11,705**	**Â20,415**
Taxation	7	(70)	â€“	(70)	(45)	â€“	Â(45)
Net return after taxation	**Â**	**9,110**	**33,479**	**42,589**	**8,665**	**Â11,705**	**Â20,370**
Return per share (pence)	**9**	**Â13.62**	**Â50.04**	**Â63.66**	**12.55**	**16.96**	**29.51**

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The â€œTotalâ€ columns of this statement are the profit and loss account of the Company. The â€œRevenueâ€ and â€œCapitalâ€ 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 62 to 73 form an integral part of these financial statements.

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Statement of Changes in Equity

for the year ended 31 August 2026

Â Â Â Â	Â Â Â Note	Called-up share capital Â£â€™000	Â Share premium Â£â€™000	Capital redemption reserve Â£â€™000	Warrant exercise reserve Â£â€™000	Share purchase reserves Â£â€™000	Â Capital reserves Â£â€™000	Â Revenue reserve Â£â€™000	Â Â Total Â£â€™000
At 31 August 2024	Â	6,946	9,449	2,011	1,596	Â 34,834	Â 166,344	Â 10,381	Â 231,561
Repurchase of ordinary shares into treasury	Â	â€“	â€“	â€“	â€“	Â (4,312)	â€“	â€“	Â (4,312)
Net return after taxation	Â	â€“	â€“	â€“	â€“	â€“	Â 11,705	Â 8,665	Â 20,370
Dividends paid in the year	8	â€“	â€“	â€“	â€“	â€“	â€“	Â (11,373)	Â (11,373)
At 31 August 2025	**Â**	**Â 6,946**	**Â 9,449**	**Â 2,011**	**Â 1,596**	**Â 30,522**	**Â 178,049**	**Â 7,673**	**Â 236,246**
Repurchase of ordinary shares into treasury	Â	â€“	â€“	â€“	â€“	(10,707)	â€“	â€“	Â (10,707)
Net return after taxation	Â	â€“	â€“	â€“	â€“	â€“	33,479	Â 9,110	42,589
Dividends paid in the year	8	â€“	â€“	â€“	â€“	â€“	â€“	Â (9,872)	(9,872)
At 31 August 2026	**Â**	**6,946**	**Â 9,449**	**Â 2,011**	**Â 1,596**	**19,815**	**Â 211,528**	**Â 6,911**	**Â 258,256**

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The notes on pages 62 to 73 form an integral part of these financial statements.

Statement of Financial Position

at 31 August 2026

Â Â	Â Note	2026 Â£â€™000	2025 Â£â€™000
Fixed assets	**Â**	**Â**	**Â**
Investments held at fair value through profit or loss	10	282,138	259,636
Current assets	**Â**	**Â**	**Â**
Debtors	11	2,354	1,658
Cash and cash equivalents	12	731	1,520
Â	**Â**	**Â 3,085**	**3,178**
Current liabilities	**Â**	**Â**	**Â**
Creditors: amounts falling due within one year	13	(26,967)	(26,568)
Net current liabilities	**Â**	**(23,882)**	**(23,390)**
Total assets less current liabilities	**Â**	**Â 258,256**	**236,246**
Net assets	**Â**	**Â 258,256**	**236,246**
Capital and reserves	**Â**	**Â**	**Â**
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	19,815	30,522
Capital reserves	15	Â211,528	178,049
Revenue reserve	15	Â6,911	7,673

Total equity shareholdersâ€™ funds	**Â**	**Â 258,256**	**236,246**
Net asset value per share (pence)	**16**	**397.20**	**347.32**

Â

[1]Â 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 9 November 2026 and signed on its behalfÂ by:

Ewen Cameron Watt
Chairman

The notes on pages 62 to 73 form an integral part of these financial statements.

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

Company registration number: 03008494

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Notes to the Financial Statements

1. Accounting policies

(a) Basis of accounting

Schroder Income Growth Fund plc (â€œthe Companyâ€) is registered in England and Wales as a public company limited by shares. The Companyâ€™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 (â€œUK GAAPâ€), in particular in accordance with Financial Reporting Standard (FRS) 102 â€œThe Financial Reporting Standard applicable in the UK and Republic of Irelandâ€, and with the Statement of Recommended Practice â€œFinancial Statements of Investment Trust Companies and Venture Capital Trustsâ€ (the â€œSORPâ€) issued by the Association of Investment Companies in July 2022. All of the Companyâ€™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 2027, 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 Companyâ€™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 Companyâ€™s assets comprise cash and readily realisable securities quoted in active markets. The Directors have considered the potential impact of climate change on the Company and concluded that there was no further impact on the preparation of the financial statements, including the valuation of investments, as these are valued using quoted market prices. Further details of Directorsâ€™ considerations regarding this are given in the Chairmanâ€™s Statement, Investment Managerâ€™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 Companyâ€™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 2025.

There are no significant judgements, estimates or assumptions in the preparation of the financial statements for the current or preceding financial year.

(b) Valuation of investments

The Companyâ€™s investments are classified as fair value through profit or 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, being the 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 â€œGains and losses on sales of investmentsâ€. 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 â€œInvestment holding gains and lossesâ€.

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:

â€¢Â The management fee is allocated 40% to revenue and 60% to capital in line with the Boardâ€™s expected long-term split of revenue and capital return from the Companyâ€™s investment portfolio. The Board reviews this allocation on an annual basis.

â€¢Â 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 pages 66 and 67.

(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 Boardâ€™s expected long-term split of revenue and capital return from the Companyâ€™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 Companyâ€™s investment in HSBCâ€™s Sterling Liquidity Fund of Â£139,000 (2025: Â£202,000) which is managed as part of the Companyâ€™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 (â€œVATâ€)

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 Companyâ€™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

Â	2026	2025
Â	Â£â€™000	Â£â€™000
Realised gains/(losses) on sales of investments	Â29,786	(3,900)
Change in unrealised gains on investments at fair value through profit or loss	5,101	17,273
Gains on investments held at fair value through profit or loss	**34,887**	**13,373**

Â

3. Income

Â	2026	2025
Â	Â£â€™000	Â£â€™000
Income from investments:	**Â**	**Â**
UK dividends	8,209	10,013
UK special dividends	Â555	181
Overseas dividends	1,540	138
Â	**Â10,304**	**10,332**
Other interest receivable and similar income:	**Â**	**Â**
Deposit interest	109	87
Other income	2	5
Â	**111**	**92**
Total income	**10,415**	**10,424**

Â

4. Management fee

Â	2026			2025		
Â	Revenue	Capital	Total	Revenue	Capital	Total
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Management fee	**Â377**	**Â565**	**942**	**460**	**691**	**1,151**

Â

The basis for calculating the management fee is set out in the Directorsâ€™ Report on page 39. Under the terms of the AIFM Agreement, a management fee is payable at a rate of 0.40% per annum of chargeable assets. Effective 1 September 2025, the management fee was reduced from 0.45% to 0.40% and fees were charged on the lesser of market capitalisation or cum NAV of the Company.

5. Administrative expenses

Â	2026	2025
Â	Â£â€™000	Â£â€™000
Administration expenses[1]	166	418Â

Directorsâ€™ fees	137	132
Auditorâ€™s remuneration[2]	67	61
Â	**370**	**611**

[1]Â Includes a one-off VAT recovery of Â£103,000 (2025: Â£nil).

[2]Â Includes Â£11,000 (2025: Â£10,000) irrecoverable VAT.

6. Finance costs

Â	2026			2025		
Â	Revenue	Capital	Total	Revenue	Capital	Total
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Interest on bank loans	**Â488**	**Â733**	**Â1,221**	**643**	**965**	**1,608**

Â

7. Taxation

(a) Analysis of charge for the year

Â	2026	2025
Â	Â£â€™000	Â£â€™000
Irrecoverable overseas tax	70	45
Tax charge for the year	**70**	**45**

Â

Â

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2025: lower) than the Companyâ€™s applicable rate of corporation tax for the year of 25% (2025:Â25%).

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

Â	2026			2025		
Â	Revenue	Capital	Total	Revenue	Capital	Total
Â	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000	Â£â€™000
Net return on ordinary activities before taxation	9,180	33,479	Â42,659	8,710	11,705	20,415
Net return on ordinary activities before taxation multiplied by the Companyâ€™s applicable rate of corporation tax for the year of 25% (2025: 25%)	2,295	8,370	Â10,665	2,178	2,926	5,104
Effects of:	Â	Â	Â	Â	Â	Â
Capital losses on investments	â€“	(8,694)	(8,694)	â€“	(3,340)	(3,340)
Income not chargeable to corporation tax	(2,191)	â€“	(2,191)	(2,504)	â€“	(2,504)
Unrelieved expenses	(104)	324	Â220	326	414	740
Irrecoverable overseas tax	70	â€“	70	45	â€“	45
Tax charge for the year	**70**	**â€“**	**70**	**45**	**â€“**	**45**

Â

(c) Deferred tax

The Company has an unrecognised deferred tax asset of Â£10,939,000 (2025: Â£10,719,000) based on a main rate of corporation tax of 25% (2025: 25%).

The unrecognised deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Companyâ€™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 Companyâ€™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

Â	2026	2025
Â	Â£â€™000	Â£â€™000
2025 fourth interim dividend of 4.95p (2024: 6.7p)	3,366	4,651
First interim dividend of 3.25p (2025: 3.25p)	2,202	2,256
Second interim dividend of 3.25p (2025: 3.25p)	2,170	2,238
Third interim dividend of 3.25p (2025: 3.25p)	2,134	2,228
Total dividends paid in the year	**9,872**	**11,373**

Â	Â	Â
Â	**2026**	**2025**
Â	**Â£â€™000**	**Â£â€™000**
Fourth interim dividend declared of 5.55p (2025: 4.95p)	**3,609**	**3,367**

Â

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 (â€œSection 1158â€)

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 Â£9,110,000 (2025: Â£8,665,000).

Â	2026	2025
Â	Â£â€™000	Â£â€™000
First interim dividend of 3.25p (2025: 3.25p)	2,202	2,256
Second interim dividend of 3.25p (2025: 3.25p)	2,170	2,238
Third interim dividend of 3.25p (2025: 3.25p)	2,134	2,228
Fourth interim dividend of 5.55p (2025: 4.95p)	3,609	3,367
Total dividends of 15.30p (2025: 14.70p) per share	**Â10,115**	**10,089**

Â

9. Return per share

Â Â	2026 Â£â€™000	2025 Â£â€™000
Revenue return	9,110	8,665
Capital return	33,479	11,705
Total return	**Â42,589**	**20,370**
Weighted average number of ordinary shares in issue during the year	66,902,405	69,031,408
Revenue return per share (pence)	13.62	12.55
Capital return per share (pence)	50.04	16.96
Total return/gain per share (pence)	**63.66**	**29.51**

Â

Â

10. Investments held at fair value through profit or loss

Â Â	2026 Â£â€™000	2025 Â£â€™000
Opening book cost	199,604	208,306
Opening investment holding gains	60,032	50,103
Opening fair value	**259,636**	**258,409**
Analysis of transactions made during the year	**Â**	**Â**
Purchases at cost	Â108,842	84,955
Sales proceeds	Â(121,227)	(97,101)
Gains on investments held at fair value	34,887	13,373
Closing fair value	**Â282,138**	**259,636**
Closing book cost	Â217,005	199,604
Closing investment holding gains	65,133	60,032
Closing fair value	**Â282,138**	**259,636**

Â

All investments are listed on a recognised stock exchange.

Sales proceeds amounting to Â£121,227,000 (2025: Â£97,101,000) were receivable from disposals of investments in the year. The book cost of these investments when they were purchased was Â£91,441,000 (2025: Â£93,657,000). 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:

Â Â	2026 Â£â€™000	2025 Â£â€™000
On acquisitions	468	381
On disposals	43	39
Â	511	420

Â

11. Debtors

Â Â	2026 Â£â€™000	2025 Â£â€™000
Dividends and interest receivable	2,314	1,639
Other debtors	40	19
Â	**2,354**	**1,658**

Â

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

12. Cash and cash equivalents

Â Â	2026 Â£â€™000	2025 Â£â€™000
Cash at bank	Â592	1,318
Money market fund	139	202
Â	**731**	**1,520**

Â

As at 31 August 2026, the Company held shares in the HSBC Sterling Liquidity fund with a market value of Â£139,000 (2025: Â£202,000), which is managed as part of the Companyâ€™s cash and cash equivalents as defined under FRS 102:7.2.

13. Creditors: amounts falling due within one year

Â Â	2026 Â£â€™000	2025 Â£â€™000
Bank loan	Â26,000	26,000
Repurchases of the Companyâ€™s own shares awaiting settlement	213	104
Other creditors and accruals	754	464
Â	**Â26,967**	**26,568**

Â

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

The Companyâ€™s revolving credit facility is subject to annual renewal and secured under customary covenants and restrictions. Although repayment cannot be demanded during the facility term other than following an event of default, the lender is under no obligation to renew the facility at maturity. The Company does not have an unconditional right to defer settlement for more than 12 months from the balance sheet date and, therefore, the outstanding balance is classified as falling due within one year in accordance with FRSÂ 102. Further details of the facility are provided in note 20(a)(i).

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

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14. Called-up share capital

Â Â	2026 Â£â€™000	2025 Â£â€™000
Ordinary shares allotted, called up and fully paid:	**Â**	**Â**
Opening balance of 68,019,152 (2025: 69,425,343) ordinary shares of 10p each	6,802	6,943
Repurchase of 3,000,411 (2025: 1,406,191) shares held in treasury	Â(300)	(141)
Subtotal of 65,018,741 (2025: 68,019,152) shares	**6,502**	**6,802**
4,444,602 (2025: 1,444,191) shares held in treasury	444	144
Total of 69,463,343 (2025: 69,463,343) shares	**6,946**	**6,946**

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15. Reserves

Â Â Â Year ended 31 August 2026	Â Share premium[1] Â£â€™000	Capital redemption reserve[1] Â£â€™000	Warrant exercise reserve[1] Â£â€™000	Share purchase reserve[2] Â£â€™000	Â Capital reserves[3] Â£â€™000	Â Revenue reserve[4] Â£â€™000
Opening balance	**Â9,449**	**Â2,011**	**Â1,596**	**30,522**	**Â178,049**	**Â7,673**
Realised gains on sales of investments	â€“	â€“	â€“	â€“	29,786	â€“
Change in unrealised gains on investments at fair value through profit or loss	â€“	â€“	â€“	â€“	5,101	â€“
Net foreign currency losses	â€“	â€“	â€“	â€“	Â(110)	â€“
Management fee and finance costs allocated to capital	â€“	â€“	â€“	â€“	(1,298)	â€“
Share repurchases into treasury	â€“	â€“	â€“	Â(10,707)	â€“	â€“
Dividends paid	â€“	â€“	â€“	â€“	â€“	Â(9,872)
Retained revenue for the year	â€“	â€“	â€“	â€“	â€“	Â9,110
Closing balance	**Â9,449**	**Â2,011**	**Â1,596**	**19,815**	**Â211,528**	**Â6,911**

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The Companyâ€™s Articles of Association permit dividend distributions out of realised capital profits.

[1]Â These reserves are not distributable.

[2]Â These are realised (distributable) capital reserves which may be used to repurchase the Companyâ€™s own shares or distributed as dividends.

[3]Â This reserve may include some holding gains/(losses) on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. An analysis has not been made between those amounts that are realised (and may be distributed as dividends or used to repurchase the Companyâ€™s own shares) and those that are unrealised.

[4]Â A credit balance on the revenue reserve may be distributed as dividends or used to repurchase the Companyâ€™s own shares.

Â Â Â Year ended 31 August 2025	Â Share premium[1] Â£â€™000	Capital redemption reserve[1] Â£â€™000	Warrant exercise reserve[1] Â£â€™000	Share purchase reserve[2] Â£â€™000	Â Capital reserves[3] Â£â€™000	Â Revenue reserve[4] Â£â€™000
Opening balance	**Â9,449**	**Â2,011**	**Â1,596**	**34,834**	**Â166,344**	**10,381Â**
Realised losses on sales of investments	â€“	â€“	â€“	â€“	(3,900)	â€“
Change in unrealised gains on investments at fair value through profit or loss	â€“	â€“	â€“	â€“	17,273	â€“
Net foreign currency losses	â€“	â€“	â€“	â€“	Â(12)	â€“
Management fee and finance costs allocated to capital	â€“	â€“	â€“	â€“	(1,656)	â€“
Share repurchases into treasury	â€“	â€“	â€“	(4,312)	â€“	â€“
Dividends paid	â€“	â€“	â€“	â€“	â€“	(11,373)
Retained revenue for the year	â€“	â€“	â€“	â€“	â€“	Â8,665Â
Closing balance	**Â9,449**	**Â2,011**	**Â1,596**	**30,522**	**Â178,049**	**Â7,673**

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The Companyâ€™s Articles of Association permit dividend distributions out of realised capital profits.

[1]Â These reserves are not distributable.

[2]Â These are realised (distributable) capital reserves which may be used to repurchase the Companyâ€™s own shares or distributed as dividends.

[3]Â This reserve may include some holding gains/(losses) on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. An analysis has not been made between those amounts that are realised (and may be distributed as dividends or used to repurchase the Companyâ€™s own shares) and those that are unrealised.

[4]Â A credit balance on the revenue reserve may be distributed as dividends or used to repurchase the Companyâ€™s own shares.

16. Net asset value per share

Â Â	2026 Â£â€™000	2025 Â£â€™000
Net assets attributable to shareholders (Â£â€™000)	Â258,256	236,246
Shares in issue at the year end	65,018,741	68,019,152
Net asset value per share (pence)	397.20	347.32

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 Directorsâ€™ Report on page 39. 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. At the year end, the Company did not have any investments in funds managed or advised by the Manager or any of its associated companies (2025: nil).

The management fee payable in respect of the year ended 31 August 2026 amounted to Â£942,000 (2025: Â£1,151,000) of which Â£470,000 (2025: Â£294,000) was outstanding at the year end.

In the prior year, the Manager was entitled to an additional fee in respect of administration and company secretarial services provided to the Company.

The secretarial fee payable for the year amounted to Â£nil (2025: Â£142,000) of which Â£nil (2025: Â£38,000) 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 Directorsâ€™ Remuneration Report on pages 48 to 50 and details of Directorsâ€™ shareholdings are given in the Directorsâ€™ Remuneration Report on page 50. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2025: nil).

19. Disclosures regarding financial instruments measured at fair value

The Companyâ€™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 â€“ valued using unadjusted quoted prices in active markets for identical assets.

Level 2 â€“ valued using observable inputs other than quoted prices included within Level 1.

Level 3 â€“ valued using inputs that are unobservable.

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

At 31 August 2026, all investments in the Companyâ€™s portfolio are categorised as Level 1 (2025: same).

20. Financial instrumentsâ€™ exposure to risk and risk management policies

The Companyâ€™s objectives are set out on the inside front cover of this report. In pursuing these objectives, the Company is exposed to aÂ variety of financial risks that could result in a reduction in the Companyâ€™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 Directorsâ€™ policy for managing these risks is set out below. The Board coordinates the Companyâ€™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 Companyâ€™s classes of financial instruments may comprise the following:

â€¢Â investments in equity shares which are held in accordance with the Companyâ€™s investment objectives;

â€¢Â short-term debtors, creditors and cash arising directly from its operations; and

â€¢Â loans drawn on a facility, the purpose of which is to assist with financing the Companyâ€™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 Boardâ€™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:

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Â **Exposure to floating interest rates:**	**2026** **Â£â€™000**	**2025** **Â£â€™000**
Cash and cash equivalents	731	1,520
Creditors falling due within one year: bank loan	(26,000)	(26,000)
Total exposure	**(25,269)**	**(24,480)**

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Cash balances earn interest at a floating rate based on the Sterling Overnight Index Average (2025: Sterling Overnight Index Average).

The Company agreed to a new Â£30.0 million secured revolving credit facility with The Bank of Nova Scotia, London Branch, effective

20Â September 2025. Interest payable is calculated at the aggregate of the compounded daily Risk Free Rate (â€œRFRâ€), 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 31Â August 2026, the Company had drawn down Â£26.0 million (2025: Â£26.0 million), for a one-month period at an interest rate of 4.63% (2025: 5.03%) 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:

Â Â	**2026 Â£â€™000**	**2025 Â£â€™000**
Minimum debit interest rate exposure during the year â€“ net debt	(23,490)	(24,387)
Maximum debit interest rate exposure during the year â€“ net debt	(25,408)	(29,295)

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Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2025: 1.0%) increase or decrease in interest rates with regard to the Companyâ€™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 Companyâ€™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.

Â Â Â Statement of comprehensive income â€“ return after taxation	**2026 1.0% increase in rate Â£â€™000**	**Â 1.0% decrease in rate Â£â€™000**	**2025 1.0% increase in rate Â£â€™000**	**Â 1.0% Â decrease in rate Â£â€™000**
Revenue return	(97)	97	(89)	89
Capital return	(156)	156	(156)	156
Total return after taxation	(253)	253	(245)	245
Net assets	**(253)**	**253**	**(245)**	**245**

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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 Companyâ€™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 Companyâ€™s investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Market price risk exposure

The Companyâ€™s total exposure to changes in market prices at 31 August comprised the following:

Â Â	**2026 Â£â€™000**	**2025 Â£â€™000**
Investments held at fair value through profit or loss	282,138	259,636

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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 Companyâ€™s investments is given on pages 17 and 18. 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% (2025: 20%) in the fair values of the Companyâ€™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 Companyâ€™s exposure through equity investments and includes the impact on the management fee but assumes that all other variables are held constant.

Â	**2026**		**2025**	
Â Â Â Statement of comprehensive income â€“ return after taxation	**20% increase in fair value Â£â€™000**	**20% decrease in fair value Â£â€™000**	**20% increase in fair value Â£â€™000**	**20% decrease in fair value Â£â€™000**
Revenue return	(90)	90	(93)	93
Capital return	Â56,292	(56,292)	51,787	(51,787)
Total return after taxation and net assets	**Â56,202**	**(56,202)**	**51,694**	**(51,694)**
Change in net asset value	**21.8%**	**(21.8%)**	**21.9%**	**(21.9%)**

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(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 Companyâ€™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 Boardâ€™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:

Â Â Â Â **Creditors: amounts falling due within one year**	**2026** **Three months or less** **Â£â€™000**	**2025** **Three months or less** **Â£â€™000**
Other creditors and accruals	967	558
Bank loan â€“ including interest	26,100	26,109
Â	**Â27,067**	**26,667**

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(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 â€œDelivery Versus Paymentâ€ 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 Managerâ€™s credit committee.

Exposure to the custodian

The custodian of the Companyâ€™s assets is J.P. Morgan Europe Limited and JPMorgan Chase Bank, N.A., London Branch effective 5Â September 2025 which has Long-Term Credit Ratings of AA- with Fitch and Aa2 with Moodyâ€™s. The Companyâ€™s investments are held in accounts which are segregated from the custodianâ€™s own trading assets. If the custodian were to become insolvent, the Companyâ€™s right of ownership of its investments is clear and they are therefore protected. However the Companyâ€™s cash balances are all deposited with the custodian as banker and held on the custodianâ€™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.

Â Â Â Â Â	**Statement of financial position** **Â£â€™000**	**2026** **Â** **Maximum exposure** **Â£â€™000**	**Statement of financial position** **Â£â€™000**	**2025** **Â** **Maximum exposure** **Â£â€™000**
Current assets	Â	Â	Â	Â
Debtors â€“ dividends and interest receivable and other debtors	Â2,354	Â2,354	1,658	1,658
Cash and cash equivalents	731	731	1,520	1,520
Â	**Â3,085**	**Â3,085**	**3,178**	**3,178**

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

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(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 Companyâ€™s objectives, policies and processes for managing capital are unchanged from the preceding year.

The Companyâ€™s debt and capital structure comprises the following:

Â Â	**2026** **Â£â€™000**	**2025** **Â£â€™000**
Debt	**Â**	**Â**
Bank loan	26,000	26,000
Equity	**Â**	**Â**
Called-up share capital	6,946	6,946
Reserves	251,310	229,300
Â	**258,256**	**236,246**
Total debt and equity	**284,256**	**262,246**

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The Companyâ€™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 Boardâ€™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.

Â Â	**2026** **Â£â€™000**	**2025** **Â£â€™000**
Borrowings used for investment purposes, less cash	25,269	24,480

Net assets	258,256	236,246
Gearing	9.8%	10.4%

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The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Companyâ€™s capital on an ongoing basis. This review includes:

â€¢Â the planned level of gearing, which takes into account the Managerâ€™s views on the market;

â€¢Â the need to buy back the Companyâ€™s own shares for cancellation or to hold in treasury, which takes into account the share price discount;

â€¢Â the opportunities for issues of new shares; and

â€¢Â 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

There have been no significant events since the year end that would require adjustment to, or disclosure in, the financial statements.

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