DUNEDIN INCOME GROWTH INVESTMENT TRUST PLC
Legal Entity Identifier (LEI): 549300PPXLZPR5JTL763

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 JANUARY 2022

Investment Objective
The Company's objective is to achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the United Kingdom that meet the Company's sustainable and responsible investing criteria as set by the Board.

Benchmark
The Company's benchmark is the FTSE All-Share Index (total return). Performance is measured on a net asset value total return basis over the long-term.

Management
The Company's Manager is Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager") which has delegated the investment management of the Company to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are wholly owned subsidiaries of abrdn plc.

COMPANY OVERVIEW – FINANCIAL HIGHLIGHTS

Net asset value total return[AB]

+8.1%

2021 (0.3)%

Earnings per share (revenue)

12.87p

2021 10.90p

Ongoing charges[A]

0.59%

2021 0.67%

Share price total return[A]

+12.5%

2021 +0.1%

Premium/(discount) to net asset value[AB]

0.31%

2021 (3.57%)

Dividends per Ordinary share

12.90p

2021 12.80p

[A] Alternative Performance Measure
[B] With debt at fair value, dividends reinvested

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Financial Highlights

	31 January 2022	31 January 2021	% change
Total assets (£'000s)	**£507,344**	£491,819	+3.16
Equity shareholders' funds (£'000s)	**£464,579**	£448,293	+3.63
Market capitalisation (£'000s)	**£459,310**	£425,233	+8.01
Net asset value per Ordinary share	**313.56p**	302.56p	+3.63
Net asset value per Ordinary share with debt at fair value[A]	**309.03p**	297.64p	+3.83
Share price (mid)	**310.00p**	287.00p	+8.01
FTSE All-Share Index	**4,191.81**	3,641.93	+15.10

Premium/(discount) (difference between share price and net asset value)			
Premium/(discount) where borrowings are deducted at fair value[A]	**0.31%**	(3.57)%	

Gearing			
Net gearing[A]	**8.41%**	8.82%	

Dividends and earnings			
Total return per share	**23.78p**	(1.81p)	
Revenue return per share	**12.87p**	10.90p	+18.07
Total dividend per share for the year	**12.90p**	12.80p	+0.78
Dividend cover[A]	**1.00**	0.85	

Revenue reserves			
Prior to payment of third and final (2021 – fourth interim) dividends[B]	**15.95p**	15.87p	
After payment of third and final (2021 – fourth interim) dividends[BC]	**9.05p**	9.07p	

Operating costs			
Ongoing charges[AD]	**0.59%**	0.67%	

[A] Considered to be an Alternative Performance Measure

[B] Calculated by dividing the revenue reserve per the Statement of Financial Position by the number of shares in issue at the reporting date per note 16

[C] Third interim dividend for the year ended 31 January 2022 of 3.00p per share (2021 – 3.00p). Final dividend for the year ended 31 January 2022 of 3.90p per share (2021 – fourth interim dividend of 3.80p). See note 16 for further details.

[D] Calculated in accordance with the latest AIC guidance issued in October 2020 to increase the scope of reporting the look-through costs of holdings in investment companies.

CHAIRMAN'S STATMENT

Performance

In the year ended 31 January 2022, your company delivered a positive absolute return but a weak relative outcome in what was a strong year for UK equities. The Company's net asset value ("NAV") increased by 8.1% on a total return basis, underperforming the FTSE All-Share Index which produced a total return of 18.9%. The share price total return for the year of 12.5% exceeded the NAV total return, reflecting a move from a discount to NAV to a small premium at the end of the year.

After a number of years of strong relative investment performance, this year, and particularly the second half of the financial year, brought a much more challenging investment environment for your Investment Manager's approach. Shareholders will recall that, at the interim stage, NAV performance was behind the benchmark but only by 1.5%. Since then, the changes in stock market trends have been marked. Large capitalisation companies whose share prices were viewed as standing at a discount to their underlying valuations, sometimes referred to as value stocks, benefitted from an increase in share prices as economies bounced back from the receding impact of the pandemic and from increasing interest rate expectations. This type of rotation in markets, as companies with certain characteristics move into favour having previously languished, is not uncommon, but was particularly significant this year. The types of companies that benefitted from this recent style rotation were precisely the types of companies the Investment Manager has made a very deliberate decision to not invest in over recent years.

While the total return performance this year is disappointing, it is important to note that the longer term performance remains sound. The NAV total return of the Company is ahead of our benchmark over three and five years and the Company's shares traded at a small premium to the NAV at the end of the year. Encouragingly, dividends from the portfolio holdings have rebounded more sharply than we expected, driving a significant uplift in the revenue return per share.

A major change during the reporting period was the change to the investment objective to formally incorporate sustainable and responsible investment principles which was approved by shareholders at the AGM in June. The required changes to the portfolio have been implemented and, on an underlying basis, the portfolio has continued to evolve over the year in line with our strategy to create a more active, better quality and higher growth investment proposition.

The Board believes that this continues to position your company to deliver both faster dividend growth and enhanced risk adjusted capital performance as well as providing greater differentiation from its peers and widening its investor base. The move to the Company's shares trading at a premium to the NAV during the year is, we believe, a continued recognition that the strategy we have pursued will benefit shareholders over the long term.

Earnings

Shareholders may recall that, in the previous financial year, our income declined by 10.6% relative to a fall in income from the companies within the FTSE All-Share Index of over 30%. It is pleasing therefore to report that the portfolio's income generation recovered strongly after falling much less than the market during the pandemic. Income increased by 17.3% during the year, reflecting a rebound in dividend distributions following the pandemic affected year of 2020/21, where a number of companies suspended or cut their dividends, as well as healthy underlying income growth from the portfolio and the receipt of special dividends. At the bottom line, the revenue return per share increased by a slightly higher amount, up by 18.1%, taking it back to above the pre-pandemic level and an all-time high of 12.87p.

Dividend

Having paid three quarterly dividends of 3.0p per share, we are proposing a final dividend of 3.9p per share. This will make a total dividend of 12.9p per share for the year, an increase of 0.8% on last year. This will be the 38th year out of the past 42 that the Company has grown its dividend, with the distribution maintained in the other four years.

Following payment of the final dividend, we will have utilised 0.03p of the Company's revenue reserves, meaning that 9.05p per share will be available to support future distributions, representing 70% of the current annual dividend cost.

Over the past six years your Investment Manager has been reducing the Company's dependence on higher yielding, lower growth companies and enhancing the Company's longer term potential for both faster dividend growth and better capital performance. That strategic shift has been completed. The Company delivered a record level of earnings per share during the year and, although the rate of dividend increase for the year lags the rate of inflation, the increased dividend of 12.9p per share represents a yield of 4.2% based on the share price of 310.0p at the end of the year, compared to a notional yield of 3.0% from the FTSE All-Share Index. Our distribution policy remains to grow the dividend faster than inflation over the medium term and, with the Company's robust revenue reserves and the healthy underlying dividend growth of the companies within the portfolio, we believe that the policy remains well supported, although its delivery may prove more challenging if inflation remains persistently high.

Market Background

After the remarkable economic, market and social developments in 2020/21, 2021/22 proved to be a somewhat less turbulent year for markets and UK equities delivered a very strong return both in absolute terms and relative to other major markets. After a number of years of poor performance for the UK market, it is pleasing to see such a rebound in sentiment.

2021 saw a general global narrative of economic recovery combined with societies gradually re-opening from the pandemic. While the potential threat of vaccine immunity from the Omicron strain of Covid-19 temporarily roiled markets in November, fortunately its impact has been relatively less significant than some of the earlier waves of the virus and we may be hopeful that the worst of the pandemic is behind us.

Overall, though, it was a year of strong economic growth as economies benefitted from the annualisation effect from the year before, the residual impact of government stimulus and still loose monetary policy conditions.

As we moved through the period, sustained inflationary pressures, most notably in the United States, but developing across much of the global economy, started to shift the tone and actions from central banks. In the UK, in December, the Bank of England became the first G7 central bank to raise interest rates and the last two months of the financial year saw a significant increase in expectations for the level of short term interest rates across major economies. We also saw longer term real bond yields move sharply upwards. The combined effect of this was to trigger the very significant rotation of capital out of more highly valued companies in sectors such as Technology, Healthcare and Consumer Goods into cheaper sectors, particularly those deemed to be gaining additional earnings support from higher inflation and higher interest rates, such as Banks, Energy and Mining, as referred to earlier.

At the year-end, we had not yet seen the Russian invasion of Ukraine, above all a human tragedy, which has had a terrible impact on the people of that country. The impact on global economies and stock markets is likely to be felt for many years to come. In the immediate aftermath, commodity prices have soared and equities have fallen, with investors looking to add both classically defensive assets and also inflation hedges. At this early stage, the implications are unclear, but we can say with some certainty that inflation is now likely to be much higher and more sustained and that economic growth is likely to be more constrained, particularly in Europe, but exactly how substantial the impact on growth will be remains uncertain. How central banks react will also be key as will the actions on fiscal policy from governments. However, a year that many forecasters were expecting to be another one of strong global growth is certainly likely to be a good deal more volatile than had been expected.

While events in Ukraine and the growing energy crisis in Europe are seen by some commentators as a clear signal of the folly of focusing on environmental, social and governance ("ESG") factors, we believe that, in stark contrast, such events will actually intensify investor focus on all elements related to ESG. While many energy-related companies may continue to perform well in the short and perhaps medium term, and governments may face pressure to revisit their policies on addressing the energy transition, we believe that the war in Ukraine has highlighted a growing realisation that accelerating the provision of lower carbon energy sources, energy efficiency and energy security go hand in hand. Likewise, in terms of social elements, the pressure on companies to act in a way deemed socially, morally and politically responsible has been unprecedented. From a governance perspective, the importance of investors aligning with the right governments, regulators and owners again cannot be clearer. A clear appreciation of the risks to companies from poor management of ESG risks and an understanding of the potential opportunities has never been more important. As we stated at the time, we put the changes to our objective to shareholders, this focus on ESG risks was a longer-term development, which was both a natural evolution of our strategy, and an approach that would improve the risk-return characteristics of the portfolio, and its ability to deliver dependable dividends to shareholders.

Gearing

The Board believes that the sensible use of modest financial gearing, while amplifying market movements in the short term, will enhance returns of both capital and income to shareholders over the long term. We also recognise the benefit that having a reasonable proportion of long-term fixed rate funding provides to managing the Revenue Account, through greater certainty over financing costs.

The Company currently employs two sources of gearing. The £30 million loan notes maturing in 2045, and a £30 million multi-currency revolving credit facility that was renegotiated during this financial year and expires in July 2023. Under the terms of the facility, the Company has the option to increase the level of the commitment from £30 million to £40 million at any time, subject to the lender's credit approval. A Sterling equivalent of £13.0 million was drawn down at the year end.

With debt valued at par, the Company's net gearing decreased from 8.8% to 8.4% during the year. The Board believes this remains a relatively conservative level of gearing and, with part of the revolving credit facility undrawn, this provides the Company with financial flexibility should opportunities to deploy additional capital arise.

Discount

The price of the Company's shares relative to the NAV moved over the course of the year from a discount of 3.57% at the beginning of the year to a small premium of 0.31% as at 31 January 2022 (on an ex-income basis with borrowings stated at fair value).

During this time no shares were bought back or issued although, subsequent to the year-end, the Company has issued 100,000 shares from treasury at a premium to the NAV per share.

As stated above, the Board believes that the successful implementation by the Investment Manager of the investment strategy should enhance the Company's longer-term potential for improved performance. We have seen a re-rating of the shares and the Board believes a consistent rating of the Company's shares close to the underlying asset value is of significant benefit to shareholders.

As in previous years, we will seek shareholders' permission at the forthcoming AGM to buy back shares and issue new shares.

Annual General Meeting and Online Shareholder Presentation

AGM

The AGM will be held at 12 noon on 24 May 2022 at the offices of abrdn plc, Bow Bells House, 1 Bread Street, London EC4M 9HH. The meeting will include a presentation from the Investment Manager and will be followed by lunch.

Given the evolving nature of the Covid-19 pandemic, should circumstances change significantly, rendering an in-person AGM inadvisable or not permissible, we will notify shareholders of any changes to the arrangements by updating the Company's website, **dunedinincomegrowth.co.uk,** and through a stock exchange announcement, where appropriate, with as much notice as possible.

Online Shareholder Presentation

In order to encourage as much interaction as possible with our shareholders, and especially for those who are unable to attend the AGM, we will also be hosting an Online Shareholder Presentation, which will be held at 10.00 am on 16 May 2022. At this event you will receive a presentation from the Investment Manager and have the opportunity to ask live questions of the Chairman and the Investment Manager. The online presentation is being held ahead of the AGM to allow shareholders to submit their proxy votes prior to the meeting.

Full details on how to register for the online event can be found at:
www.workcast.com/register?cpak=7925691640699593

Details are also contained on the Company's website.

Should you be unable to attend the online event, the Investment Manager's presentation will be made available on the Company's website shortly after the presentation.

Outlook

Over the past six years, the Company has undergone a significant shift in its portfolio to focus more on total return and dividend growth and adjusted its mandate to formally incorporate a greater focus on sustainability. While this financial year, and particularly the second half of it, has been a difficult period for relative performance, the Board believes that this is the right strategy to deliver earnings and dividend growth over the longer term. The volatile economic and political environment that has been unleashed by the conflict in Ukraine should further support a focus on resilience.

It is likely that continued outperformance from commodity-related sectors will prove to be a headwind to relative performance given the scale of those sectors within the UK equity market and the challenge of gaining exposure, given the Company's focus on both higher quality companies and sustainability. Against this very complex backdrop, the Investment Manager's focus on investing in companies with pricing power, strong balance sheets and with greater exposure to structural rather than cyclical growth should offer greater resilience in both capital and income generation. The Company's track record over the past five years adopting this strategy is very creditable.

We cannot predict when a semblance of normality will return to markets and economies, but the Board is confident that the Company is well-positioned to deliver relative total return outperformance over the medium and long term which, combined with the portfolio's income growth potential, should enable the Company's shares to continue to trade close to NAV.

David Barron
Chairman
6 April 2022

Overview of Strategy

Business
The Company is an investment trust with a premium listing on the London Stock Exchange.

Investment Objective
The Company's objective is to achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the United Kingdom that meet the Company's sustainable and responsible investing criteria as set by the Board.

Investment Policy
In pursuit of its objective, the Company's investment policy is to invest in high quality companies with strong income potential and providing an above-average portfolio yield.

The Company may only make material changes to its investment policy (including the level of gearing set by the Board) with the approval of shareholders in the form of an ordinary resolution.

Risk Diversification
The Company maintains a diversified portfolio consisting, substantially, of equity or equity-related securities, and it can invest in other financial instruments. The Company is invested mainly in companies listed or quoted in the United Kingdom and can invest up to 20% of its gross assets overseas.

It is the policy of the Company to invest no more than 15% of its gross assets in other listed investment companies and no more than 15% of its gross assets in any one company.

Gearing
The Board is responsible for determining the gearing strategy for the Company, with day-to-day gearing decisions being made by the Manager within the remit set by the Board. The Board has set its gearing limit at a maximum of 30% of the net asset value at the time of draw down. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent considered appropriate.

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

Benchmark
The Company's benchmark is the FTSE All-Share Index (total return). Performance is measured on a net asset value total return basis over the long-term.

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

Key Performance Indicators ("KPIs")
The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determining the progress of the Company in pursuing its investment policy. The main KPIs are shown in the table below.

KPI	Description
Performance	The Board considers the Company's NAV total return figures to be the best single indicator of performance over time. The figures for each of the past 10 years are set out below.
Performance of NAV against benchmark index and comparable investment trusts	The Board measures the Company's NAV total return performance against the total return of the benchmark index – the FTSE All-Share Index. The figures for this year and for the past three and five years are set out below. The Board also monitors performance relative to a peer group of investment trusts which have

	similar objectives, policies and yield characteristics.
Revenue return per Ordinary share	The Board monitors the Company's net revenue return. The revenue returns per Ordinary share for each of the past 10 years are set out below.
Dividend per Ordinary share	The Board monitors the Company's annual dividends per Ordinary share. The dividends per share for each of the past 10 years are set out below.
Share price performance	The Board monitors the performance of the Company's share price on a total return basis. The returns for this year and for the past three and five years are set out below.
Premium/discount to NAV	The premium/discount of the share price relative to the NAV per share is monitored by the Board. The premium at the year end and the discount at the end of the previous year are disclosed above.
Ongoing charges	The Board monitors the Company's operating costs carefully. Ongoing charges for the year and the previous year are disclosed above.

Principal Risks and Uncertainties

The Board carries out a regular review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also considers emerging risks which might affect the Company. During the year, the most significant risk was the continuing impact of the Covid-19 pandemic and its implications for the future economic outlook.

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

The principal and emerging risks and uncertainties faced by the Company are reviewed by the Audit Committee in the form of risk matrices.

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

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

Risk	Mitigating Action
Investment objectives - a lack of demand for the Company's shares due to its objectives becoming unattractive to investors could result in a widening of the discount of the share price to its underlying NAV and a fall in the value of its shares.	**Board review**. The Board formally reviews the Company's objectives and strategies for achieving them on an annual basis, or more regularly if appropriate. **Shareholder communication.** The Board is cognisant of the importance of regular communication with shareholders. Directors attend meetings with the Company's largest shareholders and meet other shareholders at the Annual General Meeting and, as explained in the Chairman's Statement, the Company will hold an online shareholder presentation in advance of the Annual General Meeting this year including the opportunity for an interactive question and answer session. The Board reviews shareholder correspondence and investor relations reports and also receives feedback from the Company's Stockbroker. **Discount monitoring.** The Board, through the Manager, keeps the level of discount under constant review. The Board is responsible for the Company's share buy back policy and is prepared to authorise the use of share buy backs to provide liquidity to the market and try to limit any widening of the discount.

Investment strategies – the Company adopts inappropriate investment strategies in pursuit of its objectives which could result in investors avoiding the Company's shares, leading to a widening of the discount and poor investment performance.	**Adherence to investment guidelines.** The Board sets investment guidelines and restrictions which the Manager follows, covering matters such as asset allocation, diversification, gearing, currency exposure and use of derivatives, as well as the Company's sustainable and responsible investment criteria. These guidelines are reviewed regularly and the Manager reports on compliance with them at Board meetings. In order to ensure adequate diversification, the Board has set absolute limits on maximum holdings and exposures in the portfolio at the time of investment, which are in addition to the limits contained in the Company's investment policy, including the following: No more than 10% of gross assets to be invested in any single stock; and The top five holdings should not account for more than 40% of gross assets. Regular shareholder communication and discount monitoring, as above.

Investment performance – the appointment or continuing appointment of an investment manager with inadequate resources, skills or expertise or which makes poor investment decisions. This could result in poor investment performance, a loss of value for shareholders and a widening discount.	**Monitoring of performance**. The Board meets the Manager on a regular basis and keeps under close review (inter alia) its resources and adherence to investment processes, including in relation to the Company's sustainable and responsible investment criteria. The Board also keep under review the adequacy of risk controls and investment performance. **Management Engagement Committee.** A detailed formal appraisal of the Manager is carried out annually by the Management Engagement Committee.
Income/dividends – the Company adopts an unsustainable dividend policy resulting in cuts to or suspension of dividends to shareholders, or one which fails to meet investor demands.	**Revenue forecasting and monitoring.** The Manager presents detailed forecasts of income and expenditure covering both the current and subsequent financial years at Board meetings. Dividend income received is compared to forecasts and variances analysed. **Use of reserves.** The Company has built up revenue reserves which are available to smooth dividend distributions to shareholders should there be a shortfall in revenue returns.
Financial/market – insufficient oversight or controls over financial risks, including market risk, foreign currency risk, liquidity risk and credit risk could result in losses to the Company.	**Management controls.** The Manager has a range of procedures and controls relating to the Company's financial instruments, including a review of investment risk parameters by its Investment Risk department and a review of credit worthiness of counterparties by its Counterparty Credit Risk team. **Foreign currency hedging**. It is not the Company's policy to hedge foreign currency exposure but the Company may, from time to time, partially mitigate it by drawing down borrowings in foreign currencies. **Board review.** As stated above, the Board sets investment guidelines and restrictions which are reviewed regularly and the Manager reports on compliance with them at Board meetings. Further details of the Company's financial instruments and risk management are included in note 19 to the financial statements.
Gearing – gearing accentuates the effect of rises or falls in the market value of the Company's investment portfolio on its NAV. An inappropriate level of gearing at a time of falling values could result in a significant fall in the value of the Company's net assets and share price. Such a fall in the value of the Company's net assets could result in a breach of loan covenants and trigger demands for early repayment or require investments to be sold to meet any shortfall. This could result in further losses.	**Gearing restrictions.** The Board sets gearing limits within which the Manager can operate. **Monitoring.** Both the limits and actual levels of gearing are monitored on an ongoing basis by the Manager and at regular Board meetings. In the event of a possible impending covenant breach, appropriate action would be taken to reduce borrowing levels. **Scrutiny of loan agreements.** The Board takes advice from the Manager and the Company's lawyers before approving details of loan agreements. Care is taken to ensure that covenants are appropriate and unlikely to be breached. **Limits on derivative exposure**. The Board has set limits on derivative exposures and positions are monitored at regular Board meetings.

Regulatory - changes to, or failure to comply with, relevant regulations (including the Companies Act, The Financial Services and Markets Act, The Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations, the Packaged Retail and Insurance-based Investment Product Regulations, the Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules) could result in fines, loss of reputation, reduced demand for the Company's shares and potentially loss of an advantageous tax regime.	**Board awareness**. The Directors have an awareness of the more important regulations and are provided with information on changes by the Association of Investment Companies. In terms of day to day compliance with regulations, the Board is reliant on the knowledge and expertise of the Manager. However, where necessary, the Board engages the service of external advisers. In addition, all Directors are encouraged to attend relevant training courses. **Management controls.** The Manager's company secretariat and accounting teams use checklists to aid compliance and these are backed by the Manager's compliance monitoring programme and risk based internal audit investigations
Operational - the Company is reliant on services provided by third parties (in particular those of the Manager and the Depositary) and any control gaps and failures in their operations could expose the Company to loss or damage.	**Agreements.** Written agreements are in place defining the roles and responsibilities of all third party service providers. **Internal control systems of the Manager**. The Board receives reports on the operation and efficacy of the Manager's IT and control systems, including those relating to cyber-crime, and its internal audit and compliance functions. **Safekeeping of assets**. The Depositary is ultimately responsible for the safekeeping of the Company's assets and its records are reconciled to those of the Manager on a regular basis. Through a delegation by the Depositary, the Company's investments and cash balances are held in segregated accounts by the Custodian. **Monitoring of other third party service providers**. The Manager monitors closely the control environments and quality of services provided by third parties, including those of the Depositary. This includes controls relating to cyber-crime and is conducted through service level agreements, regular meetings and key performance indicators. The Directors review reports on the Manager's monitoring of third party service providers on a periodic basis. **Operational changes caused by Covid-19**. The operational requirements of the Company have been subject to rigorous testing during the Covid-19 pandemic, including increased use of online communications and out of office working and reporting.
Geo-political – the impact of geo-political events could result in losses to the Company.	**Board and Manager awareness**. Geo-political events over which the Company has no control are always a risk. The Board and Manager do what they can to address these risks where possible. In relation to the recent events in Ukraine, the Board has liaised closely with the Manager to establish the impact on the Company, including the performance of individual holdings within the portfolio.

Promotional Activities

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the rating of the Company's shares. The Board believes one effective way to achieve this is through subscription to, and participation in, the promotional programme run by abrdn on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Manager. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. During the Covid-19 pandemic, a number of events that are usually held physically were substituted with virtual events. The Manager's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

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

Board Diversity Policy

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and the Board does not therefore consider it appropriate to set measurable objectives in relation to its diversity.

At 31 January 2022, there were three male and two female Directors on the Board.

Environmental, Social and Human Rights Issues

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

Modern Slavery Act

Due to the nature of its business, being a company that does not offer goods and services to customers, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

The UK Stewardship Code and Proxy Voting

The Company supports the UK Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. abrdn plc is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

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

Global Greenhouse Gas Emissions

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

Viability Statement

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

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

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

- The principal risks and uncertainties detailed above and the steps taken to mitigate these risks.
- The relevance of the Company's investment objective, especially in the current low yield environment.
- The Company is invested in readily-realisable listed securities.
- Share buy backs carried out in the past have not resulted in significant reductions to the capital of the Company.

- Although the Company's stated investment policy contains a maximum gearing limit of 30% of the NAV at the time of draw down, the Board's policy is to have a relatively modest level of equity gearing and the financial covenants attached to the Company's borrowings provide for significant headroom.
- Current and future market conditions caused by the Covid-19 pandemic, including implications for the operational activities of the Company and the ability of key third party suppliers to continue to provide essential services to the Company.

In making its assessment, the Board is also aware that there are other matters that could have an impact on the Company's prospects or viability in the future, including the current events in Ukraine, economic shocks or significant stock market volatility caused by other factors, and changes in regulation or investor sentiment.

Outlook

The Board's view on the general outlook for the Company can be found in the Chairman's Statement whilst the Investment Manager's views on the outlook for the portfolio are included in its statement.

On behalf of the Board
David Barron
Chairman
6 April 2022

Promoting the Success of the Company

Introduction

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

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

The Purpose of the Company and Role of the Board

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

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

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

The Company's main stakeholders have been identified as its Shareholders, the Manager (and Investment Manager), Service Providers, Investee Companies, Debt Providers and, more broadly, the environment and community at large.

How the Board Engages with Stakeholders

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

Further details are included in the table below.

Stakeholder	How We Engage
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly between all shareholders. The Manager and Company's Stockbroker meet regularly with current and prospective shareholders to discuss performance and shareholder feedback is discussed by the Directors at Board meetings. In addition, the Manager meets with analysts who cover the investment trust sector and the Directors attend meetings with the Company's largest shareholders and meet other shareholders at the Annual General Meeting. The Company subscribes to the Manager's investor relations programme in order to maintain communication channels, in particular, with the Company's institutional shareholder base. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, monthly factsheets, Company announcements, including daily NAV announcements, and the Company's website.

	The Company's Annual General Meeting provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Manager. The Board encourages as many shareholders as possible to attend the Company's Annual General and to provide feedback on the Company. In addition to the Annual General Meeting, this year the Board will again hold an interactive online shareholder presentation at which shareholders will receive updates from the Chairman and Investment Manager and there will be the opportunity for an interactive question and answer session.
Manager (and Investment Manager)	The Investment Manager's Review details the key investment decisions taken during the year. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review meeting to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board, through the Management Engagement Committee, formally reviews the performance of the Manager at least annually.
Service Providers	The Board seeks to maintain constructive relationships with the Company's suppliers either directly or through the Manager, with regular communications and meetings. The Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations, carrying out their responsibilities and providing value for money.
Investee Companies	Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues. Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability. The Manager reports regularly to the Board on investment and engagement activity.
Debt Providers	On behalf of the Board, the Manager maintains a positive working relationship with The Bank of Nova Scotia, London Branch, the provider of the Company's multi-currency loan facility, and provides regular updates on business activity and compliance with its loan covenants. The Manager also provides regular covenant compliance certificates to the holders of the Company's £30 million Loan Notes.
Environment and Community	The Board and Manager are committed to investing in a responsible manner and the Investment Manager embeds Environmental, Social and Governance ("ESG") considerations into the research and analysis as part of the investment decision-making process.

Specific Examples of Stakeholder Consideration During the Year

While the importance of giving due consideration to the Company's stakeholders is not a new requirement, and is considered during every Board decision, the Directors were particularly mindful of stakeholder considerations during the following decisions undertaken during the year ended 31 January 2022. Each of these decisions was made after taking into account the short and long term benefits for stakeholders.

Investment Objective and Portfolio

On 10 June 2021, shareholders voted at the Annual General Meeting to approve the change of investment objective "to achieve growth of income and capital from a portfolio invested mainly in companies listed or quoted in the United Kingdom that meet the Company's sustainable and responsible investing criteria as set by the Board". The Board believes very strongly that this change will allow the Company to continue its focus on generating both income and capital growth while being better prepared to meet the significant environmental and social challenges ahead, as well as further increasing its potential attraction to a wider audience of potential investors.

During the year, the Investment Manager continued to execute the Board's investment strategy of focussing on businesses of higher quality whilst balancing both income and capital growth potential. The portfolio continues to exhibit strong quality characteristics, while retaining a premium yield to, and superior dividend growth to, the market. At the same time, the Company's portfolio has high active share reflecting a differentiated approach to the wider index. Following the Annual General Meeting in June 2021, the process of implementing the changes to the portfolio consistent with the adoption of the Board's sustainable and responsible investment criteria was completed.

Dividend

Following the payment of the final dividend for the year, of 3.90p per Ordinary share, total dividends for the year will amount to 12.90p per Ordinary share. This represents an increase of 0.78% compared to the previous year and compares to the rate of inflation of 4.9% for the 12 month period to 31 January 2022 as measured by the Consumer Price Index. This will be the 38th year out of the past 42 that the Company has grown its dividend, with the distribution maintained in the other four years, and is in accordance with its policy to grow total annual dividends in real terms over the medium term.

Through meetings with shareholders and feedback from the Manager and the Company's Stockbroker, the Board is conscious of the importance that shareholders place on the level of dividends paid by the Company.

Bank Borrowings

During the year, the Company entered in to a £30 million multi-currency revolving credit facility with The Bank of Nova Scotia, London Branch (with the option to increase the level of commitment to £40 million, subject to the lender's credit approval).

This facility replaced the expiring £15 million revolving credit facility with Scotiabank (Ireland) Designated Activity Company and is for a period of two years to 13 July 2023.

Following this change, the Company's committed borrowing facilities amount to £60 million in aggregate, comprising the £30 million multi-currency revolving credit facility and the £30 million loan notes maturing in 2045. The Board believes that the modest use of gearing by the Company is of long term benefit to shareholders.

Directorate

As explained in the Directors' Report, following a formal recruitment process, the Board decided to appoint Ms Gay Collins as an independent Director on 1 July 2021 following the retirement of Ms Elisabeth Scott from the Board at the Annual General Meeting on 10 June 2021. New appointments seek to achieve a good balance of skills, experience, gender and ethnicity, reflecting the objectives of the Company.

The Board believes that shareholders' interests are best served by ensuring a smooth and orderly refreshment of the Board which serves to provide continuity and maintain the Board's open and collegiate style.

Online Shareholder Presentation

To encourage and promote stronger interaction and engagement with the Company's shareholders, the Board will hold an interactive online shareholder presentation which will be held at 12 noon on Monday 16 May 2022. At the presentation, shareholders will receive updates from the Chairman and Investment Manager and there will be the opportunity for an interactive question and answer session. The online presentation is being held ahead of the Annual General Meeting to allow shareholders to submit their proxy votes prior to the meeting.

On behalf of the Board
David Barron
Chairman
6 April 2022

Performance

Performance (total return)

	1 year % return	3 year % return	5 year % return
Total return (Capital return plus net dividends reinvested)			
Net asset value[AB]	+8.1%	+31.7%	+41.8%
Share price[B]	+12.5%	+45.0%	+60.7%
FTSE All-Share Index	+18.9%	+21.7%	+30.2%
Capital return			
Net asset value[A]	+3.8%	+17.1%	+14.3%
Share price	+8.0%	+28.1%	+27.3%
FTSE All-Share Index	+15.1%	+9.6%	+8.7%

[A] Cum-income NAV with debt at fair value.
[B] Considered to be an Alternative Performance Measure
Source: abrdn, Factset & Morningstar

Analysis of Total Return Performance for the year ended 31 January 2022

	%
Gross assets total return	7.6
Total NAV return per share[A]	8.1
Total return on FTSE All-Share Index	18.9
Relative performance	**(10.8)**

[A] With debt at fair value.

Ten Year Financial Record

Year ended 31 January	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total revenue (£'000)	18,866	20,750	20,994	20,359	21,963	22,317	22,263	20,518	18,346	**21,518**
Per share (p)										
Revenue return	10.77	11.89	11.90	12.11	12.55	12.64	12.68	12.08	10.90	**12.87**
Dividends paid/proposed	10.75	11.10	11.25	11.40	11.70	12.10	12.45	12.70	12.80	**12.90**
Revenue reserve[A]	7.45	8.22	8.89	9.63	10.51	11.16	11.54	10.94	9.07	**9.05**
Net asset value[B]	251.48	262.34	279.66	237.48	270.34	290.57	266.83	312.22	297.64	**309.03**
Total return[C]	41.30	22.24	27.76	(28.94)	43.83	30.83	(11.95)	58.57	(1.81)	**23.78**
Shareholders' funds (£'000)	385,605	403,526	428,702	368,041	415,810	442,384	401,731	469,806	448,293	**464,579**

[A] After payment of third interim and final dividends (see note 16 for further details).
[B] With debt at fair value.
[C] Per Statement of Comprehensive Income.

Dividends per Share

Dividend per share	Rate	xd date	Record date	Payment date
Final dividend 2022	3.90p	5 May 2022	6 May 2022	27 May 2022
Third interim dividend 2022	3.00p	3 February 2022	4 February 2022	25 February 2022
Second interim dividend 2022	3.00p	4 November 2021	5 November 2021	26 November 2021
First interim dividend 2022	3.00p	5 August 2021	6 August 2021	27 August 2021
Total dividend 2022	**12.90p**			

Dividend per share	Rate	xd date	Record date	Payment date
Fourth interim dividend 2021	3.80p	6 May 2021	7 May 2021	28 May 2021
Third interim dividend 2021	3.00p	4 February 2021	5 February 2021	26 February 2021
Second interim dividend 2021	3.00p	5 November 2020	6 November 2020	27 November 2020
First interim dividend 2021	3.00p	6 August 2020	7 August 2020	28 August 2020
Total dividend 2021	**12.80p**			

Investment Manager's Review

Introduction

After several years of strong relative performance, it is disappointing to report that, for the year ended 31 January 2022, the Company's returns lagged the benchmark FTSE All-Share Index. The net asset value total return for the year of 8.1% compared to a total return of 18.9% from the benchmark. It was a year where our style and strategy faced a number of headwinds and several of our holdings found themselves out of favour with investors. Our strategy of building a concentrated portfolio and being willing to be different to both the benchmark and peers does mean that there can be periods where our returns may differ markedly from either. Most of the time, we would expect that difference to express itself in a positive way but, unfortunately, for the year under review, that was not the case. Importantly, though, we consider the portfolio to be in good shape with our focus on higher quality companies, an emphasis on investments that can deliver both income and capital growth, as well as the application of sustainable and responsible investing principles, positioning us to be able to cope with what may be difficult market conditions ahead.

Total return performance notwithstanding, it was a year where there were a number of important strategic and financial developments. The implementation of the sustainable and responsible investment criteria was completed, positioning the Company uniquely amongst its peer group, while maintaining the cadence of dividend receipts. The portfolio continued to focus on delivering growth of both capital and income in a differentiated fashion with active share standing at 81% and more than half the portfolio invested outside the FTSE 100 Index. As a result, income generation came in ahead of our expectations hitting record levels and the discount to net asset value at which the Company's shares have traded for many years moved to a modest premium.

Performance

Despite a challenging year for relative investment performance, the underlying profit and dividend generation from the companies we invest in has continued to be encouraging. This was reflected in the earnings per share more than recovering to the level achieved before the pandemic and indeed setting a new all-time high in the process. Whilst this outcome was somewhat flattered by the very substantial special dividend received from **Rio Tinto**, the underlying income generation was ahead of our expectations. It is worth noting that this rebound comes from a portfolio that had proven to be very resilient in the tough conditions of 2020/21 and therefore inherently offering less 'rebound' potential than others that took greater cuts to their income account. Indeed, the main performance challenge we faced for our holdings has been a reduction in the prices that the market is willing to pay for those businesses, as opposed to any aggregate impact on their cash flow, earnings and dividend generation capacity.

From a relative return perspective, this was very much a year of two halves. In the first half of the year we only slightly trailed what was a strongly rising market. But as the second half developed, particularly in the final quarter, the portfolio increasingly lagged the wider index. This was due to a combination of effects. Firstly, higher commodity prices saw oil and gas and mining stocks perform very strongly, areas to which we typically find it hard to gain direct exposure to given our focus on high quality businesses and the application of our sustainable investment criteria. Alongside this, the anticipation of rising interest rates was received very positively for the banking sector and in particular large UK and Asian retail banks with significant deposit funding bases. Once again, we have chosen to invest away from that area due to our preference for investments with a higher degree of visibility and stability and more dependable dividend distribution track records. Not owning the likes of large index constituents such as BP, Shell, HSBC, Lloyds, Barclays, Glencore and Anglo American all proved a significant relative headwind as those companies performed very strongly over the year. It is worth noting that all of these businesses suspended, cancelled or cut dividends in 2020.

The same effect of rising short term interest rates and longer term bond yields that supported the outperformance of the banks also provided a further headwind to our performance in that it catalysed a reduction in the valuation of a number of our holdings as investors shifted capital away from more expensive companies and allocated towards companies trading on lower valuations. This "rotation", as it is termed, was particularly strong given the improving earnings dynamics for those cheaper businesses in areas like commodities and banking. Companies such as **Aveva** and **Edenred**, which have been tremendous long-term investments for the Company, all underperformed as investor attention moved elsewhere, despite solid operational and financial delivery. We estimate that around three quarters of the underperformance of the portfolio was driven by these stylistic and strategy related elements.

Alongside these impacts there were some stock specific elements where companies, for a variety of reasons, faced more difficult trading conditions. **Ubisoft**, the French computer game developer, reduced its profit guidance over the year as it faced a series of delays to the launch of its new releases and a generally less buoyant environment as economies opened up and demand for its products faced tougher comparatives. While this has been disappointing, the elements in the investment case that we have been backing over the last three years remain very much intact with a transition to more recurring revenues at higher margins as the company sells more digital content and better monetises its game franchises and back catalogue. The industry backdrop has also developed favourably, with content becoming ever more important, followed by a wave of consolidation which we think underpins the value of its intellectual property.

UK housebuilder **Persimmon** faced headwinds following the threat of government intervention over the cost of remediating defective cladding for apartment blocks. We still think the company is well positioned to manage this given a significant focus on house building as opposed to the construction of flats. From an earnings perspective, we expect that it can grow volumes steadily at reasonable margins in a market that remains constrained from a supply perspective. Remediation should be more than manageable financially given the company's very strong balance sheet and we expect that it will continue to return excess cash flow to shareholders.

Emerging market credit fund manager **Ashmore** found itself under pressure as rising interest rates pressured bond valuations, emerging markets remained out of favour and the company's own internal investment performance has been difficult. The business is anchored by a very strong balance sheet, an attractive dividend and a clear area of strategic expertise, but we do await signs of underlying operational improvement.

In a period of difficult performance, it is easy to overlook what were a number of very positive share price developments within the portfolio, rewarding companies for very strong operational delivery which will ultimately translate through into enhanced cash flows and dividends. Danish pharmaceutical company **Novo-Nordisk** performed extremely strongly as it benefitted from continued strong demand for its GLP1 diabetes products. The company also made a significant breakthrough in the treatment of obesity with its drug Wegovy, which for the first time gives the potential for major weight loss with a course of injections, avoiding the need for very expensive and intrusive surgical procedures and holding the hope of being able to make a real impact on the effects of co-morbidities such as heart disease and cancer. UK speciality chemicals business **Croda** performed well as it saw very fast uptake for its pharmaceutical products that form an integral part of the Pfizer Covid vaccine, providing a vital link in the provision of these critical medicines. The company also announced a sale of its more commoditised and lower margin industrial business which improves the business overall and provides capital for reinvestment into higher margin and faster growing areas. French energy giant **TotalEnergies** also performed well as it benefited from higher oil and gas prices, particularly from its leading LNG business, while continuing to grow its renewables portfolio and execute on cost and capital efficiency. These three strong share price performances were also accompanied with the delivery of dividend growth ahead of our expectations.

From a strategic perspective, it was pleasing to see a strong overall contribution to performance from our overseas holdings. It is also welcome that we saw strong returns from companies we deem to be sustainable solutions providers or sustainable leaders. Alongside **Novo-Nordisk** and **Croda** we also saw good outcomes from companies such as renewables and energy infrastructure developer and owner **SSE**, Dutch lithography machine manufacturer **ASML** and immunotherapy leader **AstraZeneca**. These examples show that positive allocation to companies with leadership in ESG risk management and those well aligned with the UN sustainable development goals can add value to investors prepared to back them.

Portfolio Activity

Activity during the year was concentrated on three discrete objectives. Firstly, positioning the portfolio to meet the new sustainable and responsible investing criteria, secondly enhancing the underlying income growth profile, and thirdly continuing to concentrate the portfolio around our favoured investments.

Following the approval in June from shareholders for the Company to adopt its sustainable and responsible investing criteria, positions in **Rio Tinto**, **BHP Billiton**, **British American Tobacco**, **National Grid** and **Telecom Plus** were sold. **Rio Tinto** and **Telecom Plus** failed on our assessment of their ESG risk management, **BHP** due to its thermal coal assets, **British American Tobacco** due to its tobacco exposure and **National Grid** due to the carbon intensity of its generation assets in North America. New holdings were established in Scandinavian bank **Nordea**, truck and construction equipment manufacturer **Volvo** and UK housebuilder **Persimmon.** We also substantially increased our holding in utility and renewables developer **SSE** and added to the position in **Chesnara,** the consolidator of closed life assurance assets. To help balance the impact on income generation, we also exited **Countryside Properties**, the UK housebuilder which had yet to resume dividend payments following the impact of the pandemic.

Later on in the financial year, we added additional capital to industrial software developer **Aveva**, animal pharmaceutical and biotech players **Dechra Pharmaceuticals** and **Genus** and the hobbyist platform **Games Workshop** on weakness, as investors sold out of more highly valued stocks. These are all strong businesses with modest dividend yields today but with attractive long-term growth prospects ahead of them and contribute to the Company's income growth prospects. We have also been continuing to concentrate the portfolio behind our very best ideas and, as a result, we made significant additions to existing holdings in **Relx**, **Diageo** and **Assura** as we looked to increase the capital invested in companies with resilience and higher visibility of earnings amidst an increasingly uncertain backdrop. To fund these investments, we exited Dutch brewer **Heineken**, travel and high street retailer **WH Smith**, Asian bank **Standard Chartered** and medical device manufacturer **Smith & Nephew**. These are all good businesses, but we preferred the prospects of our other existing holdings. One final exit was that of **Jackson Financial**, the very small spin-out holding we received from **Prudential.** This saw the number of companies held in the portfolio contract, to stand at 39 at the year end.

Unilever remains a holding very much in the spotlight, particularly following its failed acquisition of **GlaxoSmithKline's** consumer health business and continued middling financial performance. We added modestly to the position following the weakness in the share price and the more attractive valuation and it is one that we will continue to monitor. The holding balances some strong brands and provides attractive exposure to emerging markets with a less premium portfolio than some peers and greater exposure to the lower margin food segment.

Outlook

We have had a cautious outlook for some time and events in Ukraine do little to dissuade us from that position. The environment of high inflation, slowing growth and tightening monetary policy is likely to prove a challenging one. At the company level, profitability is being pressured by supply chain disruptions and higher costs, while weakening demand may make for a harder environment to pass on prices. This makes for a complex situation to navigate with both valuations and earnings potentially under pressure. We believe that our focus on holding high quality businesses with robust market positions, good growth prospects and strong balance sheets along with leading ESG risk management capabilities is the right one for these uncertain conditions. Giving us the best prospects of protecting capital on the downside, allowing participation in any upside that may develop and supporting the delivery of a growing dividend over time.

Ben Ritchie, Rebecca Maclean and Samantha Brownlee,
Aberdeen Asset Managers Limited
6 April 2022

Ten Largest Investments

As at 31 January 2022

AstraZeneca

AstraZeneca is a pharmaceutical company that focuses on the research, development and manufacture of drugs in a range of therapeutic areas.

Diageo

Diageo is a global leader in spirits and liquers with a portfolio of world-renowned brands.

SSE

SSE is a multi-national energy firm involved in the generation, transmission, distribution and supply of electricity through regulated networks and its renewables portfolio.

a)

Relx

Relx is a global provider of information and analytics for professionals and businesses across a number of industries including scientific, technical, medical and law.

Nordea Bank

Nordea Bank is a Scandinavian bank offering banking, asset management and insurance services across the Nordic region.

TotalEnergies

TotalEnergies is an energy company producing and marketing fuels, natural gas and electricity globally.

Prudential

Prudential is a life insurance and savings company with leading market positions in Asia and the United States.

Chesnara

Chesnara is an owner and manager of primarily closed books of life assurance assets in the UK, Sweden and Holland.

Direct Line Insurance

Direct Line Insurance is a leading insurance company offering motor, home and business cover in the UK market.

Coca-Cola Hellenic Bottling Company

Coca-Cola Hellenic Bottling Company is a bottler of the Coca-Cola brand operating plants across Europe, Africa and Asia.

Portfolio

Company	FTSE All-Share Index Sector	Valuation 2022 £'000	Total assets %	Valuation 2021 £'000
AstraZeneca	Pharmaceuticals and Biotechnology	**27,116**	5.3	24,489
Diageo	Beverages	**26,809**	5.3	18,537
SSE	Electricity	**25,499**	5.0	9,754
Relx	Media	**25,378**	5.1	14,960
Nordea Bank	Banks	**21,375**	4.2	–
TotalEnergies	Oil, Gas and Coal	**21,177**	4.2	10,728
Prudential	Life Insurance	**18,542**	3.7	15,475
Chesnara	Life Insurance	**16,756**	3.3	12,513
Direct Line Insurance	Non-life Insurance	**15,773**	3.1	13,612
Coca-Cola Hellenic Bottling Company	Beverages	**15,772**	3.1	11,808
Ten largest investments		**214,197**	42.3	
Weir Group	Industrial Engineering	**14,717**	2.9	13,974
Intermediate Capital	Investment Banking and Brokerage Services	**14,438**	2.8	12,946
Novo-Nordisk	Pharmaceuticals and Biotechnology	**14,234**	2.8	9,784
Aveva	Software and Computer Services	**14,123**	2.8	16,729
Pets At Home	Retailers	**13,729**	2.7	5,167
GlaxoSmithKline	Pharmaceuticals and Biotechnology	**13,582**	2.7	19,906
Close Brothers	Banks	**13,127**	2.6	9,950
Assura	Real Estate Investment Trusts	**13,083**	2.6	16,815
Sirius Real Estate	Real Estate Investment and Services	**12,733**	2.5	10,201
ASML	Technology Hardware and Equipment	**11,990**	2.4	9,409
Twenty largest investments		**349,953**	69.1	
Persimmon	Household Goods and Home Construction	**11,926**	2.4	–
Marshalls	Construction and Materials	**11,612**	2.3	9,101
Hannover Re	Non-life Insurance	**11,358**	2.2	8,629
Ashmore	Investment Banking and Brokerage Services	**11,262**	2.2	14,948

Croda	Chemicals	**10,764**	2.1	9,828
London Stock Exchange	Finance and Credit Services	**9,816**	1.9	8,078
Morgan Sindall	Construction and Materials	**9,766**	1.9	–
M&G	Investment Banking and Brokerage Services	**9,683**	1.9	6,135
Euromoney Institutional Investor	Industrial Support Services	**9,257**	1.8	9,683
Edenred	Industrial Support Services	**8,875**	1.7	7,924
Thirty largest investments		**454,272**	89.5	
Unilever	Personal Care, Drug and Grocery Stores	**8,486**	1.7	6,826
Volvo	Industrial Transportation	**7,472**	1.5	–
Dechra Pharmaceuticals	Pharmaceuticals and Biotechnology	**5,518**	1.1	5,874
Ubisoft	Leisure Goods	**5,306**	1.0	6,530
Games Workshop	Leisure Goods	**5,150**	1.0	4,107
Genus	Pharmaceuticals and Biotechnology	**5,082**	1.0	5,500
Prosus	Software and Computer Services	**4,926**	1.0	6,806
Moonpig	Retailers	**4,713**	0.9	–
Abcam	Pharmaceuticals and Biotechnology	**1,498**	0.3	4,819
Total investments		**502,423**	99.0	
Net current assets[A]		**4,921**	1.0	
Total assets less current liabilities[A]		**507,344**	100.0	

[A] Excluding bank loan of £13,034,000.

Sector Analysis

As at 31 January 2022

		FTSE All-Share Index weighting 2022 %	Portfolio weighting 2022 %	Portfolio weighting 2021 %
Energy	Oil, Gas and Coal	9.3	4.2	2.2
		9.3	**4.2**	**2.2**
Basic Materials	Chemicals	0.8	2.1	2.0
	Industrial Metals & Mining	6.5	–	7.3
	Precious Metals & Mining	0.4	–	–
		7.7	**2.1**	**9.3**
Industrials	Aerospace & Defence	1.7	–	–
	Construction and Materials	1.6	4.2	1.9
	Electronic & Electrical Equipment	1.0	–	–
	General Industrials	1.9	–	–
	Industrial Engineering	0.7	2.9	2.8
	Industrial Transportation	1.2	1.5	–
	Industrial Support Services	4.6	3.5	3.6
		12.7	**12.1**	**8.3**
Consumer Discretionary	Automobiles & Parts	0.1	–	–
	Consumer Services	1.2	–	–
	Household Goods and Home Construction	1.4	2.4	2.6
	Leisure Goods	0.1	2.0	2.1
	Media	3.2	5.0	3.0
	Personal Goods	0.5	–	–
	Retailers	1.9	3.6	2.2
	Travel & Leisure	3.2	–	–
		11.6	**13.0**	**9.9**
Health Care	Healthcare Providers	0.1	–	–
	Medical Equipment and Services	0.5	–	2.2
	Pharmaceuticals and Biotechnology	9.3	13.2	14.2
		9.9	**13.2**	**16.4**

Consumer Staples	Beverages	3.8	8.4	7.1
	Food Producers	0.6	–	–
	Personal Care, Drug and Grocery Stores	7.1	1.7	1.4
	Tobacco	3.6	–	2.7
		15.1	**10.1**	**11.2**
Real Estate	Real Estate Investment and Services	0.6	2.5	2.1
	Real Estate Investment Trusts	2.7	2.6	3.4
		3.3	**5.1**	**5.5**
Telecommunications	Telecommunications Equipment	0.1	–	–
	Telecommunications Service Providers	2.2	–	2.2
		2.3	**–**	**2.2**
Utilities	Electricity	0.8	5.0	2.0
	Gas, Water & Multi-utilities	2.5	–	3.4
		3.3	**5.0**	**5.4**
Financials	Banks	8.6	6.8	3.3
	Finance and Credit Services	1.3	1.9	1.7
	Investment Banking and Brokerage Services	2.9	7.0	6.8
	Life Insurance	3.0	7.0	5.6
	Non-life Insurance	0.9	5.3	4.6
		16.7	**28.0**	**22.0**
Investment Companies	Equity Investment Instruments	**6.6**	**-**	**-**
Technology	Software & Computer Services	1.4	3.8	4.8
	Technology, Hardware & Equipment	0.1	2.4	1.9
		1.5	**6.2**	**6.7**
Total investments		**100.0**	**99.0**	**99.1**
Net current assets before borrowings[A]			1.0	0.9
Total assets less current liabilities[A]			**100.0**	**100.0**

[A] Excluding bank loan of £13,034,000.

Investment Case Studies

Sustainable Leader: Croda

Croda is a British speciality chemicals company, known as a world leader in the supply of active ingredients into the personal care and life sciences markets. It operates in niche segments, providing significant value to its customers which, combined with a culture of continuous innovation and entrenched client relationships, delivers attractive financial returns and has enabled a long track record of strong profit, cash flow and dividend growth. An example of a recent success has been its excipients, which are inactive substances that act as the vehicle for a drug or other active substance and have played a key role in the deployment of the Pfizer BioNTech Covid-19 vaccine.

Sustainability is integral to the company's strategy. It has in place a dedicated senior management team to drive its programme which, along with innovation, makes up one of the two key strategic priorities of the business. The company's ambition is to be the world's most sustainable supplier of innovative ingredients and it has externally verified 1.5c Science Based Targets for its decarbonisation roadmap which is to be achieved by 2030. This approach gives it a critical edge and aligns its sustainability and commercial agendas, exemplified by its new bio-based surfactant plant in Atlas Point, Delaware which is the first of its kind in the United States and allows the substitution of oil based ingredients with natural alternatives

Solutions Provider: Novo-Nordisk

Novo-Nordisk is a global healthcare company with a world leading position in diabetes treatment that is expanding into obesity care as well as biopharma and other serious chronic diseases with high unmet needs. Nearly 500 million people worldwide are estimated to have diabetes, and eight out of ten live in low-and middle-income countries, less than half of which are treated. The high social and human costs have made diabetes a key government focus and Novo-Nordisk has a critical role to play in both broadening access to treatment and in innovating to provide better treatments for the management of diabetes, as well as tackling root causes and associated medical conditions.

Control by the Novo Foundation ensures a long term perspective and the company traces its history right back to the beginning of the production of insulin in the 1920's. It has consistently led in the discovery of innovative new medicines. Most recently initiating the GLP1 class of treatments, developing tablet solutions to replace some injectables and discovering truly ground breaking obesity treatments in the form of Wegovy. Improving access to medicine is an explicit part of the corporate strategy and Novo-Nordisk represents a good example of a company with a commercial strategy that is clearly aligned with providing solutions to one the most significant global health challenges that we face, allowing it to generate strong profit growth over the long-term while at the same time building a sustainable business.

Sustainable Improver: TotalEnergies

TotalEnergies is a leading energy company listed on the French stock market. Most oil & gas companies do not make it through our screening process given their mix of business is deemed unsustainable. However, TotalEnergies is a business adapting to the energy transition and already making enough progress on lower carbon energy sources and renewables to allow us to consider the merits of its investment case. Over half the volume and around 40% of the value of its upstream production is from natural gas. Alongside this, they have one of the world's leading Liquid Natural Gas ("LNG") operations, responsible for sourcing and shipping what is an important transition fuel. Its renewable energy portfolio is also of a substantial size with over 10 GW/h of electricity generating assets, primarily from solar power with plans to more than triple that by 2025. Importantly, the company also has minimal unconventional production, such as shale, and has committed to no further investment in these areas.

An independent group, the Transition Pathway Initiative, assesses that TotalEnergies' emissions intensity reduction target is aligned with a 1.5 degree scenario, putting it in a very select group of energy companies expecting to meet that goal. TotalEnergies isn't perfect, which is why we deem it an improver, but we see enough evidence that it is making strong efforts to transition to be able to consider it as an investment. We are engaging with the company directly and through industry groups, such as Climate Action 100+, to encourage it to accelerate its transformation and enhance its reporting. If the company can deliver its future plans for a sustainable, lower carbon energy company, then we see an attractive investment case. This is a company growing strongly in LNG, renewable energy generation and in new molecules such as biofuels, bio gas and green hydrogen, generating both cash flow for investment and for the payment of a steadily growing dividend.

Directors' Report (Extract)

The Directors present their report and the audited financial statements for the year ended 31 January 2022.

Results and Dividends

The financial statements for the year ended 31 January 2022 are contained below. First, second and third interim dividends, each of 3.00p per Ordinary share, were paid on 27 August 2021, 26 November 2021 and 25 February 2022 respectively. The Directors now recommend a final dividend of 3.90p per Ordinary share payable on 27 May 2022 to shareholders on the register on 6 May 2022. The ex-dividend date is 5 May 2022. A resolution to approve the final dividend will be proposed at the Annual General Meeting.

Principal Activity and Status

The Company is registered as a public limited company (registered in Scotland No. SC000881) and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been approved by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 February 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 January 2022 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs in such a way as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure and Voting Rights

The issued Ordinary share capital at 31 January 2022 consisted of 148,164,670 Ordinary shares of 25p and 5,513,265 Ordinary shares held in treasury.

Each Ordinary share holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares, excluding treasury shares, carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly owned subsidiary of abrdn plc, as its alternative investment fund manager. ASFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by Aberdeen Asset Managers Limited ("AAML") by way of a group delegation agreement in place between ASFML and AAML. In addition, ASFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to AAML. Details of the management fees and fees payable for promotional activities are shown in notes 4 and 5 to the financial statements.

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

Substantial Interests

As at 31 January 2022, the following interests in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules:

Shareholder	Number of shares held	% held
Aberdeen Asset Managers Limited Retail Plans[A]	34,781,676	23.5

[A] Non-beneficial interest

There have been no changes notified to the Company between the year end and the date of approval of this Report.

Directors

At the end of the year, the Board comprised five non-executive Directors, each of which is considered by the Board to be independent of the Company and the Manager. David Barron is the Chairman and Howard Williams is the Senior Independent Director.

Elisabeth Scott retired as a Director on 10 June 2021 and Gay Collins was appointed as an independent non-executive Director on 1 July 2021.

The Directors attended scheduled Board and Committee meetings during the year ended 31 January 2022 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board Meetings	Audit Committee Meetings	Management Engagement Committee Meetings	Nomination and Remuneration Committee Meetings
David Barron	4 (4)	- (-)	1 (1)	1 (1)
Gay Collins[A]	2 (2)	1 (1)	1 (1)	1 (1)
Jasper Judd	4 (4)	2 (2)	1 (1)	1 (1)
Christine Montgomery	4 (4)	2 (2)	1 (1)	1 (1)
Elisabeth Scott[B]	2 (2)	1 (1)	- (-)	- (-)
Howard Williams	4 (4)	2 (2)	1 (1)	1 (1)

[A] Appointed on 1 July 2021
[B] Retired on 10 June 2021

The Board meets more frequently when business needs require. Four additional Board meetings and one additional Nomination and Remuneration Committee meeting were held during the year, at which all Directors were present.

Under the terms of the Company's Articles of Association, Directors are subject to election at the first Annual General Meeting after their appointment and are required to retire and be subject to re-election at least every three years thereafter. However, the Board has decided that all Directors will retire annually.

Board's Policy on Tenure

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

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

The Role of the Chairman and Senior Independent Director

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

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

Directors' and Officers' Liability Insurance

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. Each Director is entitled to be indemnified out of the assets of the Company to the extent permitted by law against any loss or liability incurred by him or her in the execution of his or her duties in relation to the affairs of the Company. These rights are included in the Articles of Association of the Company.

Management of Conflicts of Interest

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

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

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

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

Corporate Governance

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

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: **theaic.co.uk.**

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

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

The UK Code includes provisions relating to:

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

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

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

Going Concern

The Company's assets consist mainly of equity shares in companies listed on the London Stock Exchange and in most circumstances are considered to be realisable within a short timescale. The Board has set limits for borrowing and derivative contract positions and regularly reviews actual exposures, cash flow projections and compliance with loan covenants. The Board has also performed stress testing and liquidity analysis.

The Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Accountability and Audit

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and they have taken all the steps that they could reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Company's Auditor, Deloitte LLP, has indicated its willingness to remain in office. The Board will propose resolutions at the Annual General Meeting to re-appoint Deloitte LLP as Auditor for the ensuing year and to authorise the Directors to determine its remuneration.

Relations with Shareholders

The Directors place a great deal of importance on communications with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department (see Contact Addresses).

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required, and representatives from the Board and Manager meet with major shareholders on at least an annual basis in order to gauge their views. In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds personally as appropriate.

Directors attend meetings with the Company's largest shareholders and meet other shareholders at the Annual General Meeting and, as explained in the Chairman's Statement, the Company will hold an online shareholder presentation in advance of the Annual General Meeting this year, which will include an interactive question and answer session.

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

Disclosures in Strategic Report

In accordance with Section 414 C (11) of the Companies Act 2006, the following information otherwise required to be set out in the Directors' Report has been included in the Strategic Report: risk management objectives and policies and likely future developments in the business.

Annual General Meeting and Online Shareholder Presentation

The Annual General Meeting will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Tuesday 24 May 2022 at 12 noon.

Given the evolving nature of the Covid-19 pandemic, should circumstances change significantly before the time of the Annual General Meeting, the Company will notify shareholders of any changes to the arrangements by updating the Company's website and through an RIS announcement, where appropriate, as early as is possible before the date of the meeting. Shareholders should note that if law or Government guidance so requires at the time of the meeting, the Chairman of the meeting will limit, in his or her sole discretion, the number of individuals in attendance at the meeting and may be required to impose entry restrictions on certain persons wishing to attend the meeting in order to ensure the safety of those attending.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary

1 George Street
Edinburgh EH2 2LL
6 April 2022

Statement of Directors' Responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

The Directors confirm that to the best of their knowledge:

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

On behalf of the Board
David Barron
Chairman
6 April 2022

Statement of Comprehensive Income

	Notes	Year ended 31 January 2022 Revenue £'000	Capital £'000	Total £'000	Year ended 31 January 2021 Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	10	-	17,551	17,551	-	(16,360)	(16,360)
Currency profit/(loss)		-	525	525	-	(676)	(676)
Income	3	21,518	-	21,518	18,346	-	18,346
Investment management fee	4	(727)	(1,091)	(1,818)	(663)	(994)	(1,657)
Administrative expenses	5	(882)	-	(882)	(986)	-	(986)
Net return before finance costs and taxation		19,909	16,985	36,894	16,697	(18,030)	(1,333)
Finance costs	6	(569)	(824)	(1,393)	(540)	(800)	(1,340)
Return before taxation		19,340	16,161	35,501	16,157	(18,830)	(2,673)
Taxation	7	(267)	-	(267)	-	-	-
Return after taxation		19,073	16,161	35,234	16,157	(18,830)	(2,673)
Return per Ordinary share (pence)	9	12.87	10.91	23.78	10.90	(12.71)	(1.81)

The column of this statement headed "Total" represents the profit and loss account of the Company.

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

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

Statement of Financial Position

	Notes	As at 31 January 2022 £'000	As at 31 January 2021 £'000
Non-current assets			
Investments at fair value through profit or loss	10	**502,423**	487,430
Current assets			
Debtors	11	**2,672**	1,053
Cash and cash equivalents		**2,855**	4,002
		5,527	5,055
Creditors: amounts falling due within one year			
Bank loan	12	**(13,034)**	(13,802)
Other creditors	12	**(606)**	(666)
		(13,640)	(14,468)
Net current liabilities		**(8,113)**	(9,413)
Total assets less current liabilities		**494,310**	478,017
Creditors: amounts falling due after more than one year	13	**(29,731)**	(29,724)
Net assets		**464,579**	448,293
Capital and reserves			
Called-up share capital	14	**38,419**	38,419
Share premium account		**4,619**	4,619
Capital redemption reserve		**1,606**	1,606
Capital reserve		**396,303**	380,142
Revenue reserve	16	**23,632**	23,507
Equity shareholders' funds		**464,579**	448,293
Net asset value per Ordinary share (pence)	17	**313.56**	302.56

The financial statements were approved and authorised for issue by the Board of Directors on 6 April 2022 and were signed on its behalf by:

David Barron

Director

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

Statement of Changes in Equity

For the year ended 31 January 2022

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2021		**38,419**	**4,619**	**1,606**	**380,142**	**23,507**	**448,293**
Return after taxation		**–**	**–**	**–**	**16,161**	**19,073**	**35,234**
Dividends paid	8	**–**	**–**	**–**	**–**	**(18,948)**	**(18,948)**
Balance at 31 January 2022		**38,419**	**4,619**	**1,606**	**396,303**	**23,632**	**464,579**

For the year ended 31 January 2021

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 January 2020		38,419	4,619	1,606	399,028	26,134	469,806
Return after taxation		–	–	–	(18,830)	16,157	(2,673)
Dividends paid	8	–	–	–	–	(18,784)	(18,784)
Buyback of Ordinary shares for treasury		–	–	–	(56)	–	(56)
Balance at 31 January 2021		38,419	4,619	1,606	380,142	23,507	448,293

The Revenue reserve and the part of the Capital reserve represented by realised capital gains represent the amount of the Company's reserves distributable by way of dividend.

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

Statement of Cash Flows

	Notes	Year ended 31 January 2022 £'000	Year ended 31 January 2021 £'000
Operating activities			
Net return before finance costs and taxation		**36,894**	(1,333)
Adjustment for:			
(Gains)/losses on investments		**(17,551)**	16,360
Currency (gains)/losses		**(525)**	676
(Increase)/decrease in accrued dividend income		**(223)**	318
Stock dividends included in dividend income		**(1,333)**	(1,325)
Decrease in other debtors excluding tax		**5**	18
(Decrease)/increase in other creditors		**(66)**	227
Net tax (paid)/received		**(811)**	599
Net cash flow from operating activities		**16,390**	15,540
Investing activities			
Purchases of investments		**(142,812)**	(114,507)
Sales of investments		**145,846**	107,274
Net cash from/(used in) investing activities		**3,034**	(7,233)
Financing activities			
Interest paid		**(1,380)**	(1,332)
Dividends paid	8	**(18,948)**	(18,784)
Buyback of Ordinary shares for treasury		**–**	(56)
Loan repayment		**(13,323)**	(1,274)
Loan drawdowns		**13,323**	3,501
Net cash used in financing activities		**(20,328)**	(17,945)
Decrease in cash and cash equivalents		**(904)**	(9,638)
Analysis of changes in cash and cash equivalents during the year			
Opening balance		**4,002**	13,754
Effect of exchange rate fluctuations on cash held		**(243)**	(114)

Decrease in cash as above	**(904)**	(9,638)
Closing balance	**2,855**	4,002

The accompanying notes are an integral part of the financial statements. A reconciliation of the changes in net debt can be found in note 18.

Notes to the Financial Statements

For the year ended 31 January 2022

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No. SC000881, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) **Basis of preparation and going concern**. The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC ("Association of Investment Companies") Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in April 2021. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Board has also performed stress testing and liquidity analysis. The Company has a £40 million multi-currency revolving loan facility which expires in July 2023 and the Board has considered the ability of the Company to refinance it. Having taken these factors into account as well as the impact of Covid-19 and having assessed the principal risks and other matters set out in the Viability Statement, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited).

Critical accounting judgements and key sources of estimation uncertainty. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The Board considers that there are no accounting judgements, estimates and assumptions which would significantly impact the financial statements.

(b) **Revenue, expenses and interest payable**. Income from equity investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are credited to revenue or capital according to the circumstances. Foreign income is converted at the exchange rate applicable at the time of receipt. Interest receivable on short term deposits and expenses are accounted for on an accruals basis. Income from underwriting commission is recognised as earned. Interest payable is calculated on an effective yield basis. Stock lending income is recognised on an accruals basis.

Underwriting commission is taken to revenue, unless any shares underwritten are required to be taken up, in which case the proportionate commission received is deducted from the cost of the investment.

Expenses are charged to capital when they are incurred in connection with the maintenance or enhancement of the value of investments. In this respect, the investment management fee and relevant finance costs, including the amortisation of expenses, are allocated between revenue and capital in line with the Board's expectation of returns from the Company's investments over the long-term of 40% to revenue and 60% to capital.

(c) **Investments**. Investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are recognised at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE All-Share and the most liquid AIM constituents. Gains or losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income.

(d) **Dividends payable**. Final dividends payable to equity shareholders are recognised in the financial statements when they have been approved by Shareholders and become a liability of the Company. Interim dividends are recognised in the financial statements in the period in which they are paid.

(e) **Nature and purpose of reserves**

Called-up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

Share premium account. The balance classified as share premium includes the premium above the nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p.

Capital redemption reserve. The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital reserve. Gains or losses on the disposal of investments and changes in the fair values of investments are transferred to the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. Certain other items including gains or losses on foreign currency and special dividends are also allocated to this reserve as appropriate. The part of this reserve represented by realised capital gains is available for distribution by way of dividend.

The costs of share buybacks to be held in treasury are also deducted from this reserve.

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

(f) **Taxation.** The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

(g) **Foreign currency.** Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature. The Company receives a proportion of its investment income in foreign currency. These amounts are translated at the rate ruling on the date of receipt.

(h) **Traded options.** The Company may enter into certain derivative contracts (e.g. options). Option contracts are accounted for as separate derivative contracts and are therefore shown in other assets or other liabilities at their fair value. The initial fair value is based on the initial premium, which is recognised upfront. The premium received and fair value changes in the open position which occur due to the movement in underlying securities are recognised in the revenue column, losses realised on the exercise of the contracts are recorded in the capital column of the Statement of Comprehensive Income.

In addition, the Company may enter into derivative contracts to manage market risk and gains or losses arising on such contracts are recorded in the capital column of the Statement of Comprehensive Income.

(i) **Borrowings**. Borrowings are measured initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 40% to revenue and 60% to capital in the Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.

3. Income

	2022 £'000	2021 £'000
Income from investments		
UK dividend income	**14,463**	13,411
Overseas dividends	**3,895**	1,840
Stock dividends	**1,333**	1,325
	19,691	16,576
Other income		
Income on derivatives	**1,826**	1,748
Deposit interest	**-**	1
Interest received on withholding tax refunds	**1**	21
	1,827	1,770
Total income	**21,518**	18,346

During the year, the Company earned premiums totalling £1,826,000 (2021 - £1,748,000) in exchange for entering into derivative transactions. The Company had no open positions in derivative contracts at 31 January 2022 (2021 - no open positions). Losses realised on the exercise of derivative transactions are disclosed in note 10.

4. Management fee

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	**727**	**1,091**	**1,818**	663	994	1,657

The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML") for the provision of investment management, risk management, accounting, administrative and secretarial services. The management fee is calculated and charged, on a monthly basis, at 0.45% per annum on the first £225 million, 0.35% per annum on the next £200 million and 0.25% per annum on amounts over £425 million of the net assets of the Company, with debt at par and excluding commonly managed funds. The balance due at the year end was £154,000 (2021 – £291,000). The management fee is allocated 40% to revenue and 60% to capital. There were no commonly managed funds held in the portfolio during the year to 31 January 2022 (2021 – none).

The management agreement may be terminated by either party on six months' written notice.

5. Administrative expenses

	2022 £'000	2021 £'000
Directors' fees	**142**	150
Auditor's remuneration (excluding VAT):		
– fees payable to the Company's Auditor for the audit of the Company's annual accounts	**27**	24
– fees payable to the Company's Auditor for other services:		
- interim review	**8**	8
Promotional activities	**243**	361
Registrar's fees	**51**	51
Share plan fees	**90**	129
Printing and postage	**48**	50
Other expenses	**273**	213
	882	986

Expenses of £243,000 (2021 - £361,000) were paid to ASFML in respect of the promotion of the Company. The balance outstanding at the year end was £24,000 (2021 - £20,000). All amounts are inclusive of VAT.

All of the expenses above, with the exception of Auditor's remuneration, include VAT where applicable. The VAT charged on the Auditor's remuneration is disclosed within other expenses.

6. Finance costs

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loan	**68**	**102**	**170**	51	78	129
Loan Notes – repayable after more than five years	**479**	**718**	**1,197**	479	718	1,197
Amortised Loan Notes issue expenses	**3**	**4**	**7**	2	4	6
Bank overdraft	**19**	**-**	**19**	8	–	8
	569	**824**	**1,393**	540	800	1,340

Finance costs (excluding bank overdraft interest) are allocated 40% to revenue and 60% to capital.

7. Taxation

		2022			2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a)	**Analysis of charge for the year**						
	Overseas tax suffered	**961**	**-**	**961**	248	–	248
	Overseas tax reclaimable	**(694)**	**-**	**(694)**	(107)	–	(107)
	Overseas tax refunded	**-**	**-**	**-**	(141)	–	(141)
	Total tax charge for the year	**267**	**-**	**267**	–	–	–

(b) Factors affecting the tax charge for the year. The UK corporation tax rate is 19% (2021 – 19%). The tax assessed for the year is lower than the rate of corporation tax. The differences are explained below:

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	**19,340**	**16,161**	**35,501**	16,157	(18,830)	(2,673)
Corporation tax at 19% (2021 - 19%)	**3,675**	**3,071**	**6,746**	3,070	(3,577)	(507)
Effects of:						-
Non-taxable UK dividend income	**(2,748)**	**-**	**(2,748)**	(2,548)	-	(2,548)
Non-taxable stock dividends	**(254)**	**-**	**(254)**	(217)	-	(217)
Capital (gains)/losses on investments not taxable	**-**	**(3,335)**	**(3,335)**	-	3,108	3,108
Expenses not deductible for tax purposes	**1**	**-**	**1**	-	-	-
Currency (gains)/losses not taxable	**-**	**(99)**	**(99)**	-	128	128
Overseas taxes	**267**	**-**	**267**	141	-	141
Overseas taxes refunded	**-**	**-**	**-**	(141)	-	(141)
Non-taxable overseas dividends	**(687)**	**-**	**(687)**	(314)	-	(314)
Excess management expenses	**13**	**363**	**376**	9	341	350
Total tax charge	**267**	**-**	**267**	-	-	-

(c) **Factors that may affect future tax charges.** At the year end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £132,362,000 (2021 - £130,381,000). A deferred tax asset in respect of this has not been recognised and these unrelieved expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. If enacted this will impact the value of UK deferred tax balances, and the tax charged on UK profits generated in 2023 and thereafter. The impact of these proposed changes has yet to be assessed.

8. Ordinary dividends on equity shares

	2022 £'000	2021 £'000
Amounts recognised as distributions paid during the year:		
Third interim dividend for 2021 - 3.00p (2020 - 3.00p)	**4,445**	4,446
Fourth interim dividend for 2021 - 3.80p (2020 - final - 3.70p)	**5,630**	5,483
First interim dividend for 2022 - 3.00p (2021 - 3.00p)	**4,445**	4,446

Second interim dividend for 2022 - 3.00p (2021 - 3.00p)	**4,445**	4,445
Return of unclaimed dividends	**(17)**	(36)
	18,948	18,784

A third interim dividend of 3.00p per Ordinary share was declared on 2 December 2021, payable on 25 February 2022 to shareholders on the register on 4 February 2022 and has not been included as a liability in these financial statements. The final dividend of 3.90p per Ordinary share was approved by the Board on 6 April 2022, payable on 27 May 2022 to shareholders on the register on 6 May 2022 and has not been included as a liability in the financial statements.

The table below sets out the total dividends paid and proposed in respect of the financial year, which is the basis upon which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered. The net revenue available for distribution by way of dividend for the year is £19,073,000 (2021 - £16,157,000).

	2022 **£'000**	2021 £'000
First interim dividend for 2022 - 3.00p (2021 - 3.00p)	**4,445**	4,446
Second interim dividend for 2022 - 3.00p (2021 - 3.00p)	**4,445**	4,445
Third interim dividend for 2022 - 3.00p (2021 - 3.00p)	**4,445**	4,445
Final dividend for 2022 – 3.90p (2021 – fourth interim dividend of 3.80p)		5,630
	13,335	18,966

The final dividend is based on the latest share capital of 148,264,670 Ordinary shares excluding those held in treasury.

9. Return per Ordinary share

	2022		**2021**	
	£'000	**p**	**£'000**	**p**
Revenue return	**19,073**	**12.87**	16,157	10.90
Capital return	**16,161**	**10.91**	(18,830)	(12.71)
Total return	**35,234**	**23.78**	(2,673)	(1.81)

Weighted average number of Ordinary shares in issue	**148,164,670**	148,179,575

10. Investments at fair value through profit or loss

	2022 £'000	2021 £'000
Opening book cost	**410,222**	380,538
Investment holdings gains	**77,208**	111,577
Opening fair value	**487,430**	492,115
Analysis of transactions made during the year		
Purchases	**144,145**	115,832
Sales - proceeds	**(146,703)**	(104,157)
Gains/(losses) on investments	**17,551**	(16,360)
Closing fair value	**502,423**	487,430
Closing book cost	**428,488**	410,222
Closing investment holdings gains	**73,935**	77,208
Closing fair value	**502,423**	487,430

The Company received £146,703,000 (2021 - £104,157,000) from investments sold in the year. The book cost of these investments when they were purchased were £125,879,000 (2021 - £86,148,000). 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 realised gains figure above includes losses realised on the exercise of traded options of £971,000 (2021 - £936,000). Premiums received of £1,826,000 (2021 - £1,748,000) are included within income per note 3.

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

	2022 £'000	2021 £'000
Purchases	**592**	436
Sales	**79**	62
	671	498

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

11. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Net dividends and interest receivable	**781**	558
Tax recoverable	**1,017**	473
Amounts due from brokers	**857**	–
Other loans and receivables	**17**	22
	2,672	1,053

12. Creditors: amounts falling due within one year

(a) Bank loan	2022 £'000	2021 £'000
EUR 15,600,000 – 15 February 2021	**–**	13,802
EUR 15,600,000 – 11 February 2022	**13,034**	–
	13,034	13,802

The Company's multi-currency revolving credit facility with Scotiabank for £15,000,000 expired on 13 July 2021. The company entered into a new £30,000,000 multi-currency revolving credit facility with The Bank of Nova Scotia, London Branch committed until 13 July 2023. Under the terms of the facility, subject to the lender's credit approval, the Company has the option to increase the level of the facility from £30,000,000 to £40,000,000 at any time, should further investment opportunities be identified. As at 31 January 2022 €15,600,000 had been drawn down at a rate of 1.0% (2021 – €15,600,000 at a rate of 0.9%), which matured on 11 February 2022. At the date this Report was approved €15,600,000 had been drawn down at a rate of 1.0%, maturing on 11 April 2022. The terms of the loan facility contain covenants that the adjusted asset coverage is not be less than 4.00 to 1.00 and that the minimum net assets of the Company are £200 million.

(b) Other creditors	2022 £'000	2021 £'000
Loan Notes and bank loan interest	**189**	183
Sundry creditors	**417**	483
	606	666

13. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
3.99% Loan Notes 2045	**30,000**	30,000
Unamortised Loan Note issue expenses	**(269)**	(276)
	29,731	29,724

The 3.99% Loan Notes were issued in December 2015 and are due to be redeemed at par on 8 December 2045. Interest is payable in half-yearly instalments in June and December. The Loan Notes are secured by a floating charge over the whole of the assets of the Company. The Company has complied with the Loan Note Trust Deed covenant that total net borrowings (ie. after the deduction of cash balances) should not exceed 33% of the Company's net asset value and that the Company's net asset value should not be less than £200 million.

The fair value of the Loan Notes as at 31 January 2022 was £36,441,000 (2021 - £37,017,000), the value being calculated per the disclosure in note 19. The effect on the net asset value of deducting the Loan Notes at fair value rather than at par is disclosed in note 17.

14. Called-up share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
148,164,670 (2021 - 148,164,670) Ordinary shares of 25p each - equity	**37,041**	37,041
Treasury shares:		
5,513,265 (2021 - 5,513,265) Ordinary shares of 25p each - equity	**1,378**	1,378
	38,419	38,419

The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

During the year the Company repurchased no Ordinary shares (2021 - 22,449 shares repurchased at a cost of £56,000 including expenses). All of these shares were placed in treasury.

15. Analysis of changes in financing during the year

	2022		2021	
	Equity share capital (including premium) £'000	Loan Notes £'000	Equity share capital (including premium) £'000	Loan Notes £'000
Opening balance at 31 January 2021	**43,038**	**29,724**	43,038	29,718
Movement in unamortised Loan Notes issue expenses	**-**	**7**	–	6
Closing balance at 31 January 2022	**43,038**	**29,731**	43,038	29,724

16. Revenue reserve per share

The following information is presented supplemental to the financial statements to show the Companies Act position at the year end.

		2022	2021
Revenue reserve (£'000)		**23,632**	23,507
Number of Ordinary shares in issue at year end		**148,164,670**	148,164,670

Revenue reserve per Ordinary share		**15.95p**	15.87p
Less:	– third interim dividend	**(3.00)p**	(3.00)p
	– final dividend	**(3.90)p**	–
	– fourth interim dividend	**–**	(3.80)p
Revenue reserve per Ordinary share		**9.05p**	9.07p

17. Net asset value per share

Equity shareholders' funds have been calculated in accordance with the provisions of FRS 102. The analysis of equity shareholders' funds on the face of the Statement of Financial Position does not reflect the rights under the Articles of Association of the Ordinary shareholders on a return of assets. These rights are reflected in the net asset value and the net asset value per share attributable to Ordinary shareholders at the year end, adjusted to reflect the deduction of the Loan Notes at par. A reconciliation between the two sets of figures is as follows:

	2022	2021
Net assets attributable (£'000)	**464,579**	448,293
Number of Ordinary shares in issue at year end[A]	**148,164,670**	148,164,670
Net asset value per Ordinary share	**313.56p**	302.56p

[A] Excluding shares held in treasury.

Adjusted net assets	2022	2021
Net assets attributable (£'000) as above	**464,579**	448,293
Unamortised Loan Note issue expenses (note 13)	**(269)**	(276)
Adjusted net assets attributable (£'000)	**464,310**	448,017
Number of Ordinary shares in issue at year end[A]	**148,164,670**	148,164,670
Adjusted net asset value per Ordinary share	**313.37p**	302.38p

[A] Excluding shares held in treasury.

Net assets - debt at fair value	£'000	£'000
Net assets attributable	**464,579**	448,293
Amortised cost Loan Notes	**29,731**	29,724
Market value Loan Notes	**(36,441)**	(37,017)
Net assets attributable	**457,869**	441,000
Number of Ordinary shares in issue at the period end[A]	**148,164,670**	148,164,670
Net asset value per Ordinary share (debt at fair value)	**309.03p**	297.64p

[A] Excluding shares held in treasury.

18. Analysis of changes in net debt

	At 31 January 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 January 2022 £'000
Cash and cash equivalents	**4,002**	**(243)**	**(904)**	**-**	**2,855**
Debt due within one year	**(13,802)**	**768**	**-**	**-**	**(13,034)**
Debt due after more than one year	**(29,724)**	**-**	**-**	**(7)**	**(29,731)**
	(39,524)	**525**	**(904)**	**(7)**	**(39,910)**

	At 31 January 2020 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 January 2021 £'000
Cash and cash equivalents	13,754	(114)	(9,638)	-	4,002
Debt due within one year	(11,013)	(562)	(2,227)	-	(13,802)
Debt due after more than one year	(29,718)	-	-	(6)	(29,724)
	(26,977)	(676)	(11,865)	(6)	(39,524)

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

19. Financial instruments and risk management

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company also has the ability to enter into derivative transactions in the form of option contracts for the purpose of generating income and futures/options for hedging market exposures.

During the year, the Company entered into certain options contracts for the purpose of generating income. Positions closed during the year realised a loss of £971,000 (2021 - £936,000). As disclosed in note 3, the premium received and fair value changes in respect of options written in the year was £1,826,000 (2021 - £1,748,000). The largest position in derivative contracts held during the year at any given time was £558,000 (2021 - £931,000). The Company had no open positions in derivative contracts at 31 January 2022 (2021 - none).

The Board relies on Aberdeen Standard Fund Managers Limited ("ASFML" or the "Manager") for the provision of risk management activities under the terms of its management agreement with ASFML (further details of which are included under note 4). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors on the grounds that they are not considered to be material.

The Company's Manager has an independent Investment Risk department for reviewing the investment risk parameters of all core equity, fixed income and alternative asset classes on a regular basis. The department reports to the Manager's Performance Review Committee which is chaired by the Manager's Chief Investment Officer. The department's responsibility is to review and monitor ex-ante (predicted) portfolio risk and style characteristics using best practice, industry standard multi-factor models.

Risk management framework. The directors of ASFML collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

ASFML is a fully integrated member of the abrdn Group (the "Group") which provides a variety of services and support to ASFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. ASFML has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). ASFML has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Chief Executive Officers of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group's Chief Executive Officers and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Group's corporate governance structure is supported by several committees to assist the board of directors of abrdn, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk Management. The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, currency risk and other price risk), (ii) liquidity risk and (iii) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors, other than for currency disclosures.

(i) **Market risk.** Market risk comprises three elements - interest rate risk, currency risk and price risk.

(a) Interest rate risk. Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;

- the level of income receivable on cash deposits; and

- interest payable on the Company's variable rate borrowings.

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

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. Details of borrowings at 31 January 2022 are shown in notes 12 and 13.

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

At 31 January 2022	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	–	–	–	**2,855**
Total assets	–	–	–	**2,855**
Liabilities				
Bank loans	**0.08**	**1.00**	**(13,034)**	–
Total liabilities	–	–	**(42,765)**	–

At 31 January 2021	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	–	–	–	4,002
Total assets	–	–	–	4,002
	b)	c)	d)	e)

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Liabilities				
Bank loans	0.08	0.90	(13,802)	–
Loan Notes	24.87	3.99	(29,724)	–

Total liabilities	–	–	(43,526)	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans. The maturity dates of the Company's borrowings are shown in notes 12 and 13 to the financial statements.

The floating rate assets consist of cash deposits all earning interest at prevailing market rates.

The Company's equity portfolio and short-term debtors and creditors (excluding bank loans) have been excluded from the above tables. All financial liabilities are measured at amortised cost.

Interest rate sensitivity. Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total profit.

(b) Foreign currency risk. A proportion of the Company's investment portfolio is invested in overseas securities whose values are subject to fluctuation due to changes in exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investee companies can result, indirectly, in changes in their valuations. Consequently the Statement of Financial Position can be affected by movements in exchange rates.

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. A proportion of the Company's borrowings, as detailed in note 12, is in foreign currency as at 31 January 2022. The revenue account is subject to currency fluctuations arising on dividends received in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination:

	31 January 2022			31 January 2021		
	Investments £'000	Net monetary assets £'000	Total currency exposure £'000	Investments £'000	Net monetary assets £'000	Total currency exposure £'000
Euro	**63,632**	**(12,098)**	**51,534**	64,452	(13,662)	50,790
Swiss Francs		**216**	**216**	11,808	221	12,029
Danish Krone	**14,234**	**94**	**14,328**	9,783	100	9,883
Norwegian Krone	**-**	**13**	**13**	–	13	13
Swedish Krona	**28,847**	**-**	**28,847**	–	–	–
Sterling	**395,710**	**(26,069)**	**369,641**	401,387	(25,809)	375,578
Total	**502,423**	**(37,844)**	**464,579**	487,430	(39,137)	448,293

The asset allocation between specific markets can vary from time to time based on the Manager's opinion of the attractiveness of the individual stocks in these markets.

Foreign currency sensitivity. There is no sensitivity analysis included as the Board believes the amount exposed to foreign currency denominated monetary assets to be immaterial. Where the Company's equity investments (which are non-monetary items) are priced in a foreign currency, they have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

(c) Price risk. Price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments and traded options.

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

f) **Price risk sensitivity**. If market prices at the Statement of Financial Position date had been 10% higher while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 January 2022 would have increased by £50,242,000 (2021 - increase of £48,743,000) and equity reserves would have increased by the same amount. Had market prices been 10% lower the converse would apply.

(ii) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due in line with the maturity profile analysed below.

At 31 January 2022	**Within 1 year £'000**	**Within 1-2 years £'000**	**Within 2-3 years £'000**	**Within 3-4 years £'000**	**Within 4-5 years £'000**	**More than 5 years £'000**	**Total £'000**
Bank loans	**13,034**	**-**	**-**	**-**	**-**	**-**	**13,034**
Loan Notes	**-**	**-**	**-**	**-**	**-**	**30,000**	**30,000**
Interest cash flows on bank loans and loan notes	**1,207**	**1,197**	**1,197**	**1,197**	**1,197**	**22,743**	**28,738**
Cash flows on other creditors	**417**	**-**	**-**	**-**	**-**	**-**	**417**
	14,658	**1,197**	**1,197**	**1,197**	**1,197**	**52,743**	**72,189**

g)

At 31 January 2021	**Within 1 year £'000**	**Within 1-2 years £'000**	**Within 2-3 years £'000**	**Within 3-4 years £'000**	**Within 4-5 years £'000**	**More than 5 years £'000**	**Total £'000**
Bank loans	13,802	–	–	–	–	–	13,802
Loan Notes	–	–	–	–	–	30,000	30,000
Interest cash flows on bank loans and loan notes	1,197	1,197	1,197	1,197	1,197	23,940	29,925
Cash flows on other creditors	483	–	–	–	–	–	483
	15,482	1,197	1,197	1,197	1,197	53,940	74,210

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise Loan Notes and a revolving facility. The Loan Notes provide secure long-term funding while short term flexibility is achieved through the borrowing facility. It is the Board's policy to maintain a gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of less than 30% at all times. Details of borrowings at 31 January 2022 are shown in notes 12 and 13.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly cash and listed securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities, details of which can be found in note 12. Under the terms of the loan facility, the Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis. Details of the Board's policy on gearing are shown in the interest rate risk section of this note.

Liquidity risk exposure. At 31 January 2022 and 31 January 2021 the amortised cost of the Company's Loan Notes was £29,731,000 and £29,724,000 respectively. At 31 January 2022 and 31 January 2021 the Company's bank loans amounted to £13,034,000 and £13,802,000 respectively. The facility is committed until 13 July 2023.

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

Management of the risk. Investment transactions are carried out with a large number of brokers, whose credit standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;

- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the custodians' records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Group's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the abrdn Group's Risk Management Committee. This review will also include checks on the maintenance and security of investments held;

- cash is held only with reputable banks whose credit ratings are monitored on a regular basis.

There are internal exposure limits to cash balances placed with counterparties. The credit worthiness of counterparties is also reviewed on a regular basis.

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

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 January was as follows:

	2022		2021	
	Balance Sheet £'000	**Maximum exposure £'000**	**Balance Sheet £'000**	**Maximum exposure £'000**
Non-current assets				
Investments at fair value through profit or loss	**502,423**	**–**	487,430	–
Current assets				
Cash and short term deposits	**2,855**	**2,855**	4,002	4,002
	505,278	**2,855**	491,432	4,002

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

Fair values of financial assets and financial liabilities. The fair value of borrowings has been calculated at £49,475,000 as at 31 January 2022 (2021 - £50,819,000) compared to an accounts value in the financial statements of £42,765,000 (2021 - £43,526,000) (notes 12 and 13). The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. All other assets and liabilities of the Company are included in the Statement of Financial Position at fair value.

20. Fair value hierarchy

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

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

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

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

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 January 2022	**Note**	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss					
Quoted equities	**a)**	**502,423**	**-**	**-**	**502,423**
Total		**502,423**	**-**	**-**	**502,423**

As at 31 January 2021		**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at fair value through profit or loss					
Quoted equities	a)	487,430	-	-	487,430
Total		487,430	-	-	487,430

a) **Quoted equities.** The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

21. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and

- to maximise the return to its equity shareholders through an appropriate balance of equity capital and debt.

The capital of the Company consists of equity, comprising issued capital, reserves and retained earnings.

The Board monitors and reviews the broad structure of the Company's capital. This review includes the nature and planned level of gearing, which takes account of the Manager's views on future expected returns and the extent to which revenue in excess of that which is required to be distributed should be retained. The Company is not subject to any externally imposed capital requirements.

22. Related party transactions and transactions with the Manager

Directors' fees and interests. Fees payable during the year to the Directors and their interest in shares of the Company are disclosed within the Directors' Remuneration Report.

Transactions with the Manager. The Company has an agreement with the abrdn Group for the provision of management, secretarial, accounting and administration services and also for the provision of promotional activities. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5.

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Dividend cover

Dividend cover measures the revenue return per share divided by total dividends per share, expressed as a ratio.

		2022	2021
Revenue return per share	a	**12.87p**	10.90p
Dividends per share	b	**12.90p**	12.80p
Dividend cover	a/b	**1.0**	0.85

Net gearing

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

		2022	2021
Borrowings (£'000)	a	**42,765**	43,526
Cash (£'000)	b	**2,855**	4,002
Amounts due to brokers (£'000)	c	**–**	–
Amounts due from brokers (£'000)	d	**857**	–
Shareholders' funds (£'000)	e	**464,579**	448,293
Net gearing	(a-b+c-d)/e	**8.41%**	8.82%

Premium/(discount) to net asset value per share with debt at fair value

The premium/(discount) is the amount by which the share price is higher/(lower) than the net asset value per share with debt at fair value, expressed as a percentage of the net asset value with debt at fair value.

		2022	2021
Share price (p)	a	**310.00p**	287.00p

NAV per Ordinary share (p)	b	**309.03p**	297.64p
Discount	(a-b)/b	**0.31%**	(3.57%)

h) i) j)

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2022	2021
Investment management fees (£'000)	**1,818**	1,657
Administrative expenses (£'000)	**882**	986
Less: non-recurring charges (£'000)	**(57)**	(11)
Ongoing charges (£'000)	**2,643**	2,632
Average net assets (£'000)	**472,893**	414,454
Ongoing charges ratio (excluding look-through costs)	**0.56%**	0.64%
Look-through costs[A]	**0.03%**	0.03%
Ongoing charges ratio (including look-through costs)	**0.59%**	0.67%

[A] Professional services comprising new Director recruitment costs and legal fees considered unlikely to recur.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which amongst other things, includes the cost of borrowings and transaction costs.

Total return

NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

Year ended 31 January 2022		**NAV**	**Share Price**
Opening at 1 February 2021	a	**297.6p**	**287.0p**
Closing at 31 January 2022	b	**309.0p**	**310.0p**
Price movements	c=(b/a)-1	**3.8%**	**8.0%**
Dividend reinvestment[A]	d	**4.3%**	**4.5%**
Total return	c+d	**+8.1%**	**+12.5%**

Year ended 31 January 2021		**NAV**	**Share Price**
Opening at 1 February 2020	a	312.2p	301.0p
Closing at 31 January 2020	b	297.6p	287.0p
Price movements	c=(b/a)-1	(4.7)%	(4.7)%

Dividend reinvestment[A]	d	4.4%	4.8%
Total return	c+d	(0.3)%	+0.1%

[A] NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Additional Notes to Annual Financial Report

The Annual General Meeting will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on Tuesday 24 May 2022 at 12 noon.

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 January 2022 are an abridged version of the Company's full accounts, which have been approved and audited with an unqualified report. The 2021 and 2022 statutory accounts received unqualified reports from the Company's auditor and did not include any reference to matters to which the auditor drew attention by way of emphasis without qualifying the reports, and did not contain a statement under S498 of the Companies Act 2006. The financial information for 2021 is derived from the statutory accounts for the year ended 31 January 2021 which have been delivered to the Registrar of Companies. The accounts for the year ended 31 January 2022 will be filed with the Registrar of Companies in due course.

The Annual Report and Accounts will be posted to shareholders in April 2022 and copies will be available from the registered office of the Company and on the Company's website, www.dunedinincomegrowth.co.uk.*

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

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
6 April 2022

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