The Global Smaller Companies Trust PLC

Company Number: 28264

Annual Report and Financial Statements
for the year ended 30 April 2025

COLUMBIA THREADNEEDLE INVESTMENTS®

Contents

2025-26 Financial year events	
Annual General Meeting	15 August 2025
Final dividend payable	20 August 2025
Half-yearly results announced	December 2025
Interim dividend payable	January 2026
Final Results for 2026 announced	June 2026

Forward-looking statements

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

Company Overview

The Global Smaller Companies Trust PLC (the **'Company'**) was founded in 1889 with initial capital of £1m. As at 30th April 2025, the Company had net assets with a value of £736.8m (2024: £870.1m) and investments in more than 40 countries worldwide.

Objective
To invest in smaller companies worldwide in order to secure a high total return.

Investment team
A well resourced and experienced investment management team at Columbia Threadneedle Investments aims to identify the best smaller company opportunities listed on global stock markets.

Investment philosophy
A long term, conservative approach to investing in good quality, growing businesses when they become available at an attractive valuation.

A dividend hero
By investing in a portfolio of growing, high quality listed companies, the Company's own dividend has risen for 55 consecutive years.

The Company is suitable for retail investors in the UK, professionally advised private clients and institutional investors who seek growth over the long term and who understand and are willing to accept the risks, as well as the rewards, of exposure to smaller companies.

Visit our website at **globalsmallercompanies.co.uk**

The Company is registered in England and Wales with company registration number 28264
Legal Entity Identifier: 2138008RRULYQP8VP386

Investment Manager's Investment Philosophy and Process

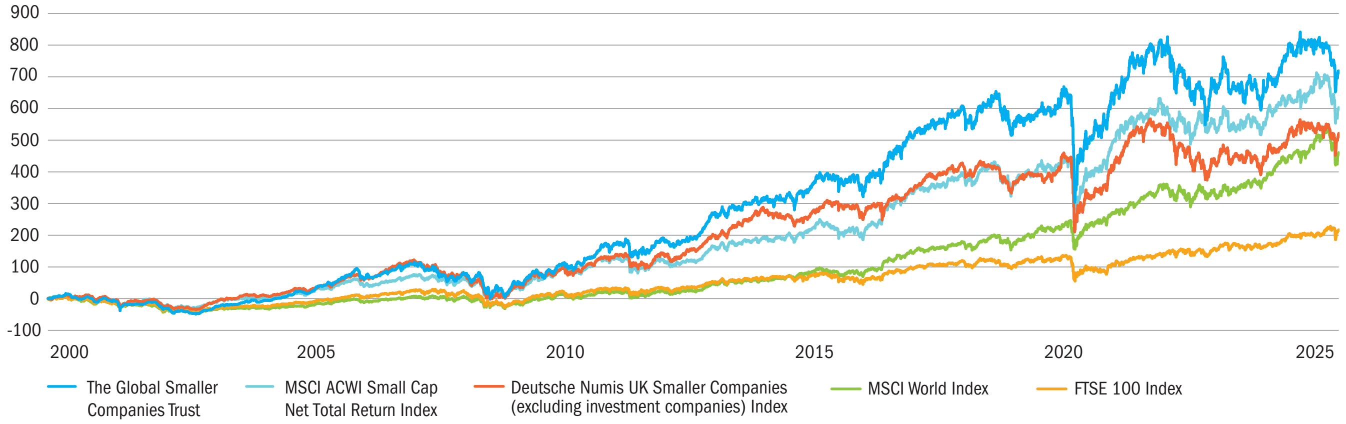
The attraction of smaller companies

- A history of delivering long term returns that are superior to those from larger companies.
- Not well known and starting from a small base, this is the home of future 'multi baggers.'
- A very large investment universe with thousands of companies to choose from.

Why Columbia Threadneedle Investments

- Large and experienced team of smaller company focussed fund managers that are supported by globally located research analysts.
- Well resourced, with excellent access to corporates and third party research.
- A prudent approach that looks to generate the higher return potential that is inherent in smaller companies, but with lower levels of risk.
- A proven investment philosophy and process that has delivered strong long term, risk adjusted, total returns to shareholders.

Historic Returns



Source: Columbia Threadneedle Investments

The Company's Benchmark is a blend of two indices: the MSCI All Country World ex UK Small Cap Index net (80%) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%).

Investment philosophy

A long term, conservative approach to investing in good quality, growing businesses when they become available at an attractive valuation.

Investment Process

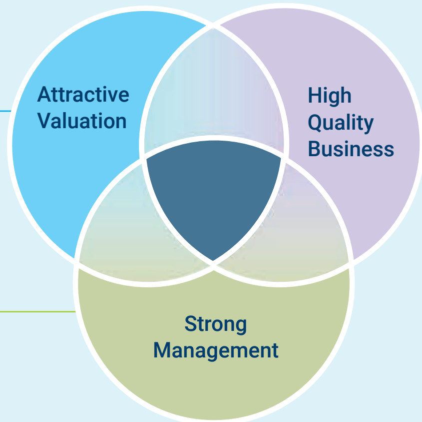
1 Idea generation

- Company meetings (c.1,000 pa)
- Watchlist
- Regional portfolios and central research analysts
- Sell side input

2 Company analysis

- Range of valuation measures used
- Trends in metrics important
- Assessment of downside risk and upside potential
- Analysis of implied market expectations
- Margin of safety sought

- Capable operators
- Rational
- Good capital allocators
- Aligned interests
- Prudent
- Transparent with shareholders



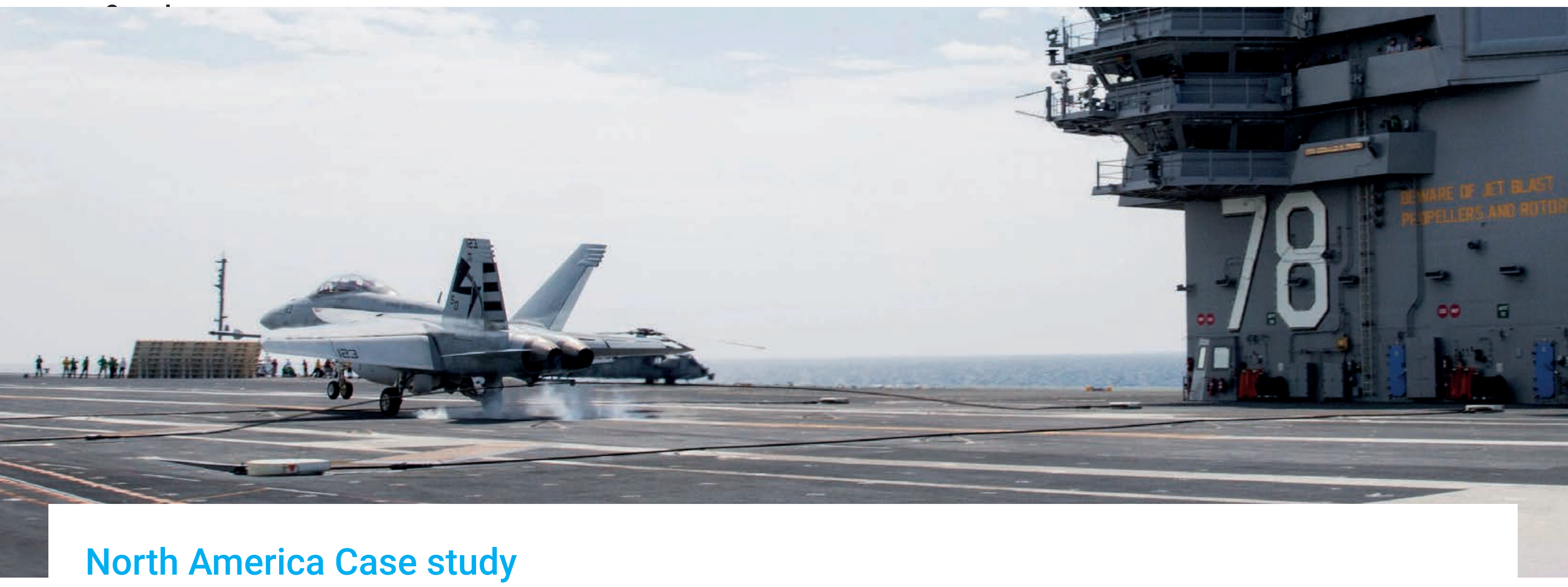
- Understandable business model
- Competitive advantages
- Favourable industry structure / conditions
- Diversified customer /supplier/ product set
- Pricing power / market share growth
- Free cash flow generation
- Financial strength
- ESG and Sustainability

3 Portfolio construction and monitoring

4 Sell discipline

- Investment thesis no longer intact
- Structural deterioration in the quality of the company's business model
- Loss of confidence in the company's management team
- Shares reach a full or extended valuation
- A better investment opportunity becomes available

In the Rest of World (Asia, Latin America and some other smaller markets outside of the main regions) component of The Global Smaller Companies Trust we use third party managed funds to gain exposure to these markets. These funds are carefully selected and actively monitored through a rigorous process including input from Columbia Threadneedle Investments' multi-manager fund selection team.

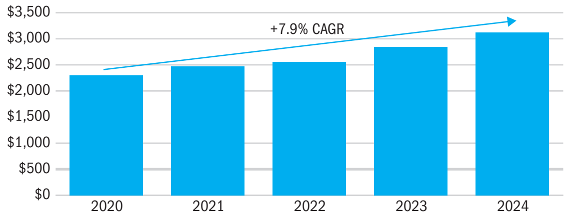


North America Case study

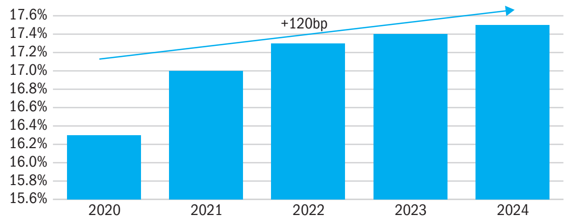
Curtiss-Wright

Curtiss-Wright was founded in 1929 by aviation pioneers Glen Curtiss and the Wright Brothers. It develops, designs and builds highly engineered, mission-critical components for the aerospace & defence, commercial power, process and general industrial end markets. Products include actuation and propulsion systems, electronics, valves and pumps.

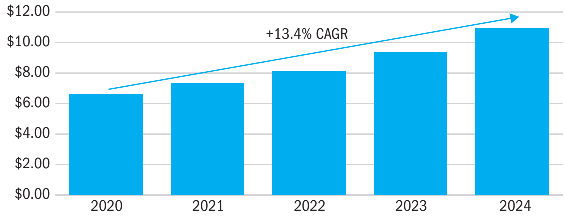
Adj. Net Sales ($M)



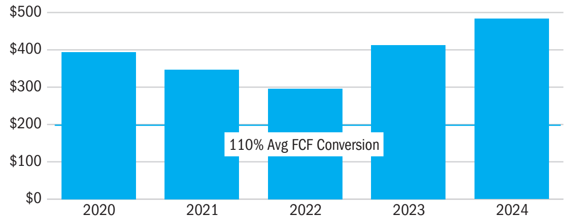
Adj. Operating Margin



Adj. Diluted EPS

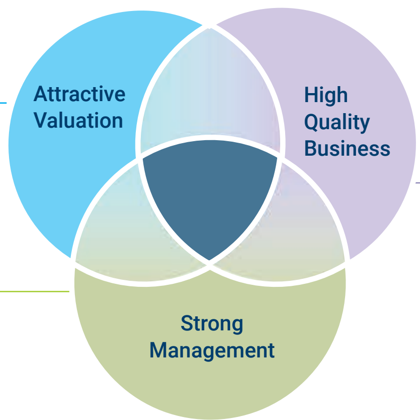


Adj. Free Cash Flow ($M)

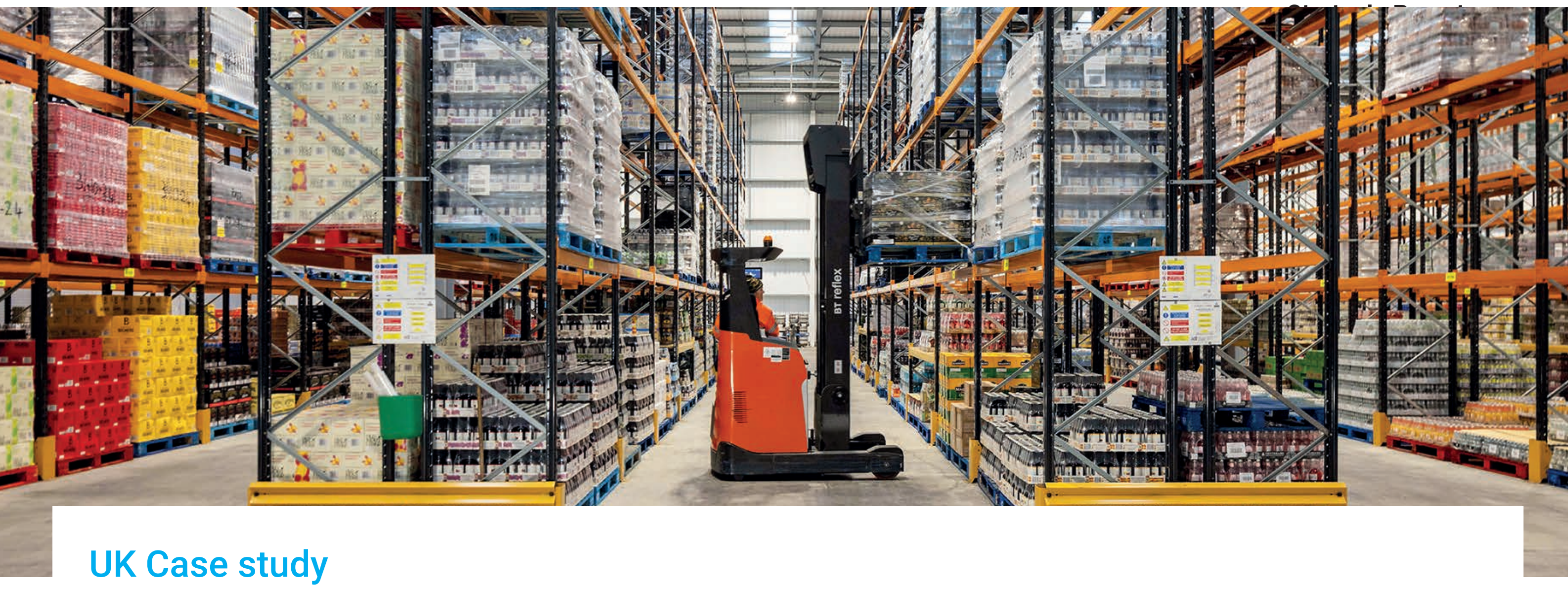


- Shares out of favour at purchase because of supply chain disruptions and a delay in the signing of the US defence budget.
- Shares were available at 14x forward earnings compared to the long term average of 18x.

- Consistent operational execution.
- History of healthy returns on capital.
- Since purchase in 2022, trailing 12m sales have grown 27%, EPS has climbed 52% and the shares have moved up 145%.



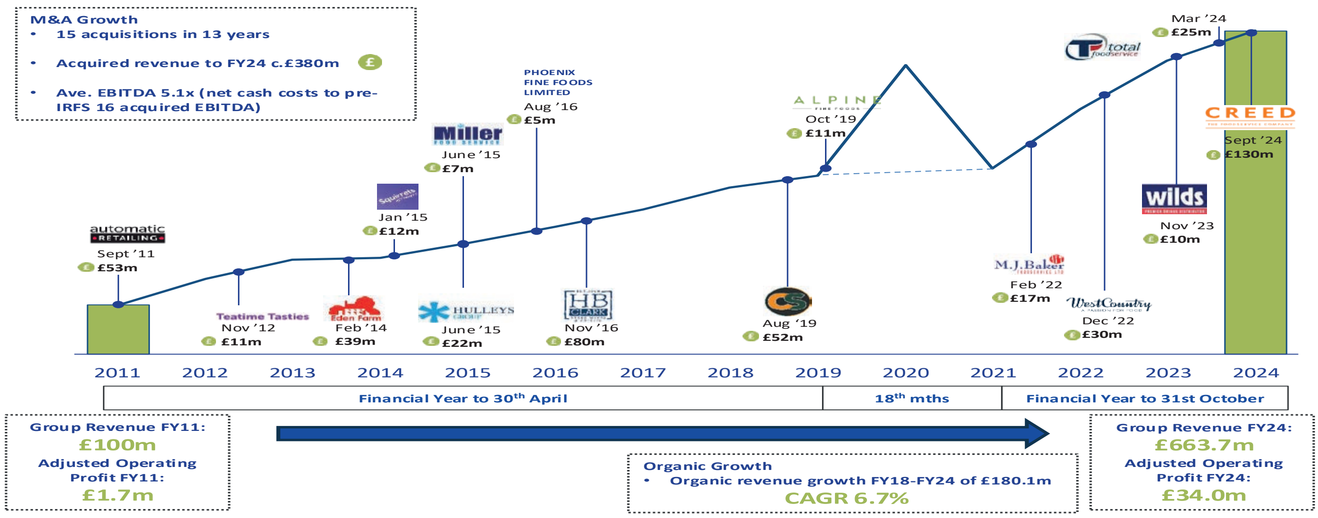
- Technical expertise, intellectual property and close customer collaboration has led to the production of industry leading, proprietary products.
- Significant cost of failure means that customers rarely switch products.
- Dominant market shares in the company's chosen niches. Wide profit margins.
- Long term expansion in earnings from exposure to growing markets such as defence and nuclear power as well as deployment of capital into accretive bolt on acquisitions.



UK Case study

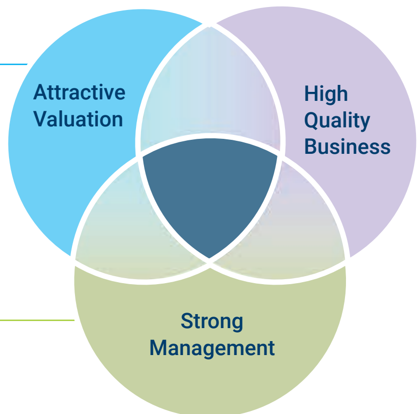
Kitwave Group

Paul Young started KitWave Group in 1987 through the acquisition of a single-site confectionary wholesale business in North Shields, UK. Over the years it has grown organically and through acquisitions. Today, in addition to confectionary, it also distributes food, alcohol and tobacco to independent convenience stores, restaurants and leisure outlets. The business has a national footprint of 37 depots and serves 46,000 customers.



- Shares were 'undiscovered' at purchase because of a low market capitalisation and little sell-side analyst coverage.
- As a consequence, the stock was purchased for 6.5x forward EBITDA. This was at a deep discount to the implied takeover valuation of larger peer Booker Group in 2018.

- Management have an outstanding reputation in effecting this 'low value, high frequency' delivery model.
- History of shareholder value creation from previous acquisitions.
- Significant insider ownership.
- Since purchase in 2021, sales have grown 74%, EPS has increased 275% and the shares have climbed 64% (we believe that transitory factors contributed to last year's share price underperformance).

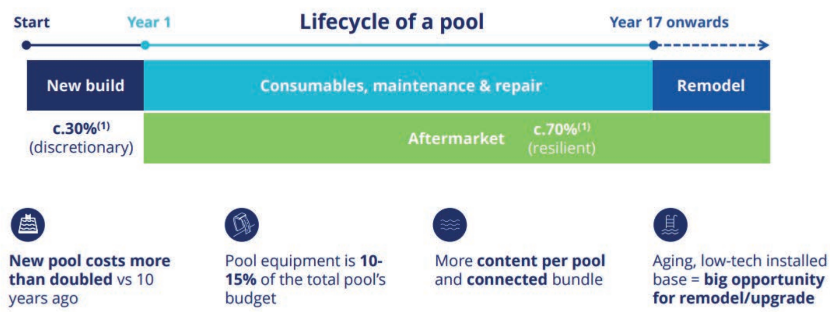


- Scale advantages: wide product selection, bulk purchase discounts and superior technology (online ordering, delivery route optimisation and equipment that enhances warehouse efficiency).
- Superior customer service: high fill rates and next day delivery.
- Consistent market share gains in this fragmented industry.
- Strong free cash flow generation.
- Long term growth in earnings from new business wins, increased customer wallet share, acquisitions and efficiencies.

Europe case study

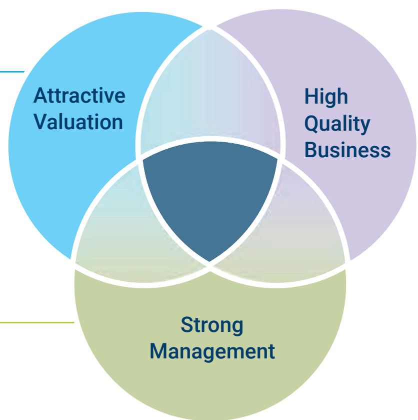
Fluidra

In 1969, the Vila, Corbera, Garrigós and Serra families joined together to form Astral, a manufacturer of components for swimming pools. During the 1970's and 1980's, the company expanded its operations significantly and eventually listed as Fluidra on the Madrid stock exchange in October 2007. Today, the company specialises in the manufacture and marketing of equipment and related products for both residential and commercial swimming pools and wellness facilities. Products include: pumps, valves, fittings, heaters and chemicals. Fluidra has a presence in 47 countries.



- Shares undervalued at purchase because of sluggish construction markets.
- Shares were purchased at 10x forward EBITDA, a discount to global peers.

- Implementation of best practices has created a track record of rising profitability.
- History of capital allocation that has materially increased shareholder value.
- Significant insider ownership.
- Since purchase in 2017 revenues have grown 169%, EPS has climbed 339% and the share price has appreciated 125%.



- Strong brand, based on the development of innovative and highly reliable products.
- Specialist, global distribution network.
- Large installed base that normally replaces equipment on a like-for-like basis. This leads to recurring revenues.
- Disciplined oligopoly. Long history of price increases.
- Strong free cash flow conversion.
- Growth in business value from cyclical recovery in construction markets, introduction of new products, upgrading of an aged installed base and acquisitions of smaller competitors.

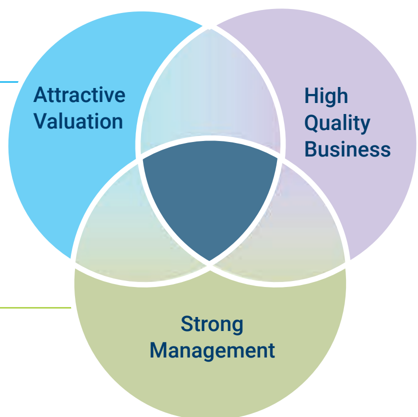
Japan case study

Sanwa Holdings

Manji Takayama, established Sanwa Shutter Manufacturing in 1956 in Amagasaki, Japan. Over the next thirty years the company grew within Japan to become the market leader, selling lightweight and heavy-duty shutters and doors for residential and commercial buildings. In 1996, it acquired ODC and this secured the company's entry into the promising US market. Similarly, it went into Europe in 2003 with the acquisition of Novofern. From humble beginnings, Sanwa now manufactures in 27 locations globally and employs almost 13,000 people.

- Shares undervalued at purchase because of worries about the health of housing markets in Europe.
- Shares were available at 6x forward EBITDA, well below similar businesses listed in other regions.

- Strong operational execution.
- History of industry leading returns on capital.
- Focus on R&D.
- Since purchase in 2023, trailing 12m sales have grown 8%, EPS is up 37% and the shares have climbed 97%.



- Strong brand that is based on reliability and endurance.
- Benefits of vertical integration: production of high-quality products at lower costs.
- Dominant global market share in the company's chosen niches.
- Rational oligopoly in Japan.
- Prospective growth through new product introductions and geographic expansion. Profit margin development through international facility consolidation.

Financial Highlights year to 30 April 2025

-4.8%

Net Asset Value ('NAV') total return
NAV with debt at fair value[1] total return[1] of -4.8% (2024: +9.0%) versus -0.8% for the Benchmark (2024: +11.3%).

The NAV per share with debt at fair value fell to 167.1p from 178.1p.

-5.6%

Share price total return
Share price total return[1] of -5.6% (2024: +12.7%).

The share price ended the year at 148.6p (2024: 160.2p).

3.00p

Total Dividend
Dividend[3] of 3.00p (2024: 2.81p), the 55th consecutive annual increase, up by 6.8% (2024: up by 22.2%).

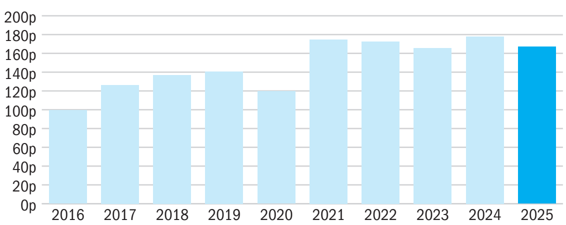
-11.0%

Discount
The Company's shares ended the year at a discount[1] to NAV of 11.0% (2024: 10.0%).

Delivering high total returns over the long term

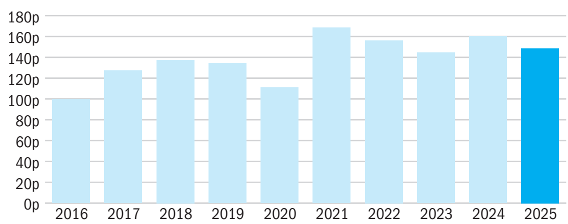
In the last ten years the Company has turned a £1,000 investment, with dividends reinvested, into £1,718, a compound annual share price total return of 5.6%.

NAV[1],[4] per share at 30 April – pence



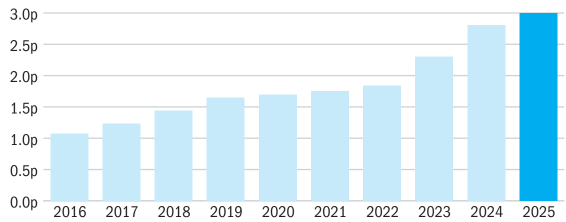
Source: Columbia Threadneedle Investments

Mid-market price[4] per share at 30 April – pence



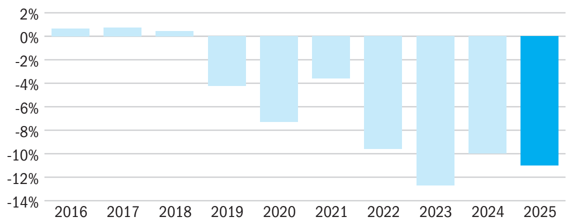
Source: Columbia Threadneedle Investments

Dividends[3],[4] – pence per share



Source: Columbia Threadneedle Investments

Share price premium/(discount)[1] at 30 April – %



Source: Columbia Threadneedle Investments

The dividend has increased every year for the past 55 years and over the last ten years is up 12.0% compound per annum, compared with inflation (RPI) of 4.5% compound per annum.

(1) See Alternative Performance Measures on pages 105 and 107.
(2) See Glossary of terms on page 108 for explanation of "Benchmark".
(3) Total dividend comprises an interim dividend (paid on 23 January 2025) of 0.70 pence and a final dividend for 2025 of 2.30 pence (payable on 20 August 2025), subject to shareholder approval at the AGM.
(4) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.

Chairman's Statement

"By introducing a portfolio with higher conviction, the Manager can take advantage of the very best investment opportunities whatever is happening in the world."

Anja Balfour, Chairman

Dear Shareholder,

Although the past 12 months has been a challenging time for the portfolio, I am confident that the changes made have put your Company on a strong footing for the future. The Company's Net Asset Value ('NAV') total return (with long term borrowings at fair value) was -4.8% in the financial year. The total return from the Company's Benchmark, a blend of two indices, the MSCI All Country World ex UK Small Cap Index net (80%) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%), was -0.8% for the year to 30 April 2025. Longer term total returns from the NAV, Benchmark and share price are shown in the following table, highlighting the strong returns that the asset class has delivered to patient investors.

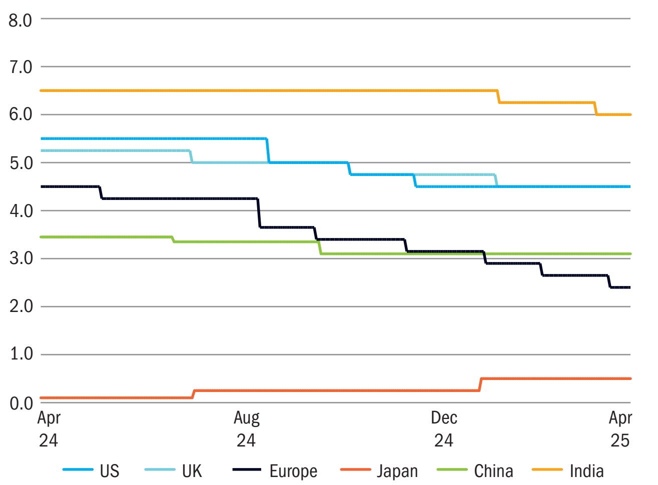
Financial markets continued to be affected by shifting geopolitics during the financial year ended 30th April 2025. Persistent inflation, wealth inequality and immigration were key issues leading to electorates unseating incumbent parties. Furthermore, the dramatic reorientation of American trade and foreign policy, following the election of Donald Trump, challenged the post-World War II international order and affects the outlook for inflation and economic growth. The new US government's approach to peace negotiations between Russia and Ukraine and its proposed territorial expansions overseas alarmed European allies. This was compounded by the US no longer being unequivocally committed to NATO Article 5 (collective defence). Consequently, this prompted European governments to increase their spending on defence in the years ahead. Despite new approaches by the US administration, conflicts in Ukraine and the Middle East are still ongoing. Only time will tell if President Trump's policies will work,

Performance: Total returns over the long-term

	1 year %	3 years %	5 years %	10 years %	25 years %
Company NAV total return	-4.8	0.7	48.7	93.3	608.0
Benchmark total return	-0.8	8.1	61.4	103.6	588.5
Company share price total return	-5.6	-0.2	43.9	71.8	725.8

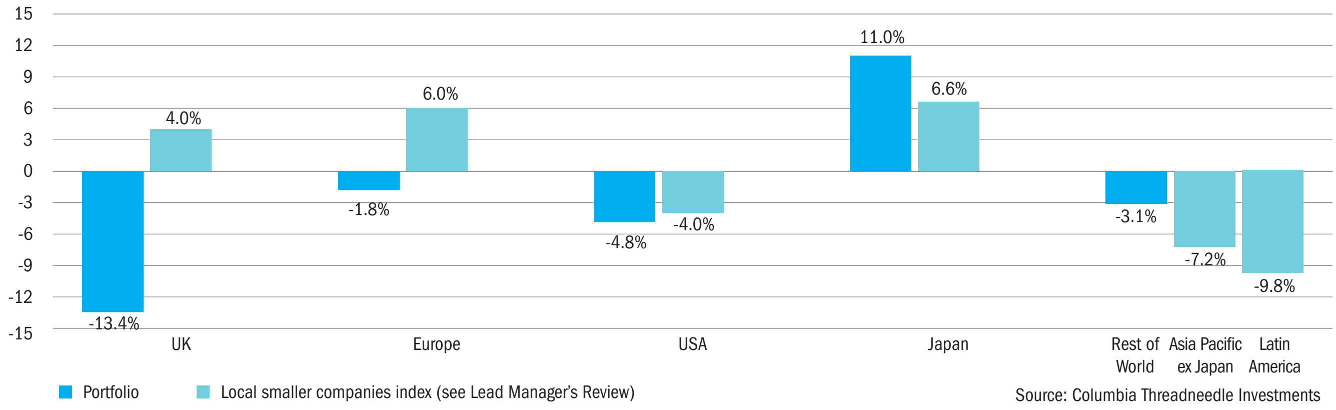
Source: Columbia Threadneedle Investments

Interest rate by country (%)



Source: Columbia Threadneedle Investments

Geographical performance (total return sterling adjusted) for the year ended 30 April 2025



*Performance of the Rest of World portfolio is shown here against both the Asian and Latin American smaller company indices.

however, it is clear that the benefits are uncertain and the costs are real. Recent events in Iran have further added to these difficulties.

In the UK the newly elected Labour government promised faster economic growth. However, tight budgetary constraints soon impacted progress on some of those initiatives, while ongoing imbalances in the labour market led to UK inflation remaining higher than hoped for. Populism was on the march in continental Europe, exemplified by the far right AFD party's unprecedented 20% share of the vote in Germany's general election.

For most of the financial year, major economies successfully navigated a higher interest rate environment and appeared to be on course for a 'soft landing.' Labour markets remained healthy with solid wage growth. Momentum in world economic growth slowed towards the end of the period as uncertainty over the new US administration's trade and foreign policy weighed on business and consumer sentiment.

With inflation moderating across developed markets, central banks started to ease monetary policy. The European Central Bank led in June, followed by other major central banks, resulting in cumulative cuts of 2.00% in the Eurozone, 1.00% in the US, and 0.75% in the UK. Japan remained an outlier, with a long awaited return to inflation leading to two rate hikes in the year by the Bank of Japan.

Unusually, despite most central banks lowering interest rates, 10 year government bond yields remained at elevated levels compared to the last 15 years. This reflected investor concerns over the future path of inflation and the size of government deficits. In the case of the US, lower demand from foreigners and diminished confidence in the country's 'safe haven' status and governance, raised yields on US Treasury bonds. Similarly, we saw a significant weakening in the US Dollar against major currencies.

The US economy was, however, supported by higher asset prices, fiscal spending and artificial intelligence-related capital expenditure. In contrast the US housing sector was hurt by higher interest rates. The UK economy was challenged by low productivity growth, stubborn services inflation and higher costs for businesses, although signs of life did appear towards the end of the financial year. European economies continued to be divided, with tourism-focussed countries performing well but the more industrial driven countries challenged by elevated energy costs, competition from China and now tariffs. However, Germany's suspension of its "debt brake" and commitment to approximately €900 billion in spending on defence and infrastructure could prove to be a turning point for "The Old Continent". Wage growth in Japan helped domestic consumption. In addition, the lower yen encouraged inbound tourism and the end of negative interest rates helped the country's financial sector.

China continued to face challenges with weak consumer confidence, although during the year the government increased efforts to stimulate the economy and the property market showed signs of stabilisation. Taiwan benefitted from the ongoing investment cycle in artificial intelligence. Growth in India, which has been strong for some time, lost a little momentum this year and interest rates were cut as inflation moderated. In Latin America, stubborn inflation and concerns over the fiscal deficit held back Brazil. On the other hand, in Argentina, sentiment improved as President Javier Milei's deregulation and deficit reduction efforts bore fruit.

Performance and the Discount

The Lead Manager's Review starting on page 14 covers the year from a market and portfolio view in detail. The chart on the previous page shows how our regional portfolios performed in the year compared to their relevant local smaller company indices. Relative to local small cap market returns, performance in the UK and Europe was disappointing and actions which have been taken to address this are outlined in the Lead Manager's Review. North America was slightly behind the regional index. In Japan, the portfolio's one remaining third party fund was insourced in the financial year, resulting in this geography now being completely managed by Columbia Threadneedle Investments' internal Japanese equities team. It was pleasing to see early success from this transition with the Japanese portfolio delivering strong outperformance in the financial year. The Rest of World, while down, delivered relative outperformance in the period.

Over the last few years UK investment trust company discounts have widened, given increased caution around the economic and geopolitical outlook and the ongoing trend towards passive, index-based global investment funds. There have been outflows from UK based equity funds in general and smaller company funds in particular have been hurt by this trend. Starting the financial year at 10.0%, your Company's discount widened slightly to 11.0%. The wider discount meant that on a total return basis the Company's share price fell by 5.6% over the year.

The Board continues to believe that a consistently applied approach to share buy-backs is in the best interests of shareholders, providing liquidity for those in need of an exit along with NAV accretion to remaining holders. The pace of buy-backs was again stepped up compared to previous years with some 47.3m shares bought back, representing 9.6% of the starting share capital (2024: 30.2m shares) repurchased across some 222 trading days, enhancing the NAV per share by 1.0% in the process. The chart below illustrates the Company's discount (and premium) over the last 10 years and that of the wider investment trust sector, providing a reminder that discounts/premiums in the investment trust sector tend to be cyclical. The Board is fully cognisant that the discount is currently wider than its target of 5% or less in normal market conditions. To address this, the Company has increased its efforts on marketing and PR, aiming to attract interest in the shares from both existing and new investors. Share repurchasing is another tool employed by the Company to address the discount. The Manager has also taken measures to improve investment performance relative to the Company's Benchmark, these include: changes within the investment team, a reduction in the number of investments held by the Company, refinement of the Company's approach to selling investments and increased use of additional resources within Columbia Threadneedle Investments.

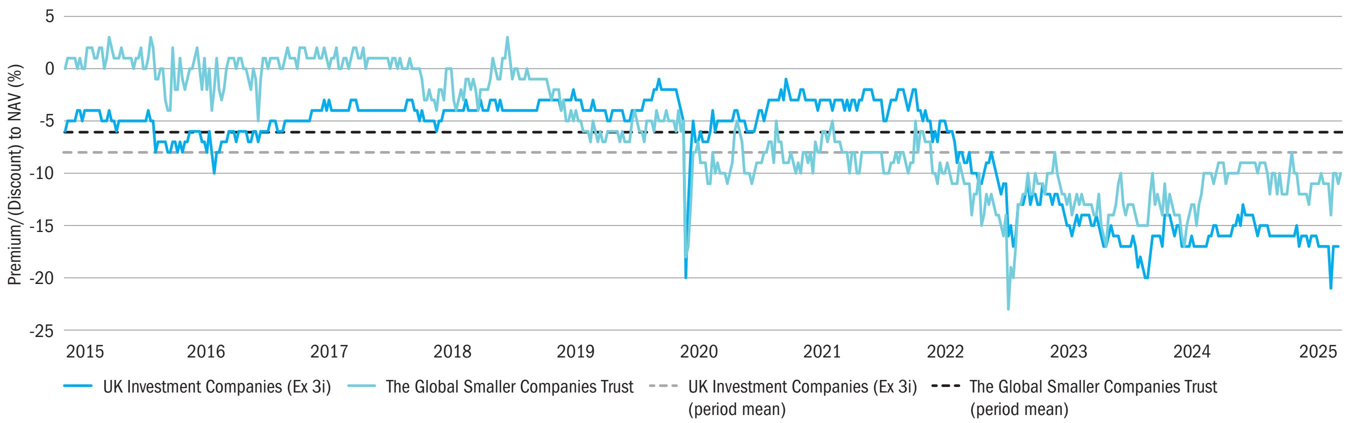
Dividends

The companies in the portfolio continue to deliver healthy levels of income as a result of their cash generative nature. Following on from the 2.9% increase in the interim dividend, the Board has decided to recommend the payment of a final dividend of 2.30p, meaning the full year payment will be up by 6.8% to 3.00p. This will be paid to shareholders on 20 August 2025 and will be the 55th consecutive increase in the Company's dividend.

Gearing Policy

The Board remains of the view that making use of our borrowing powers over the long term will serve to enhance shareholder returns as markets rise over time. The Manager is also able to make use of the facility to take advantage of new investment opportunities and for funding buy-backs without being forced to make immediate,

10 year history of (discount)/premium compared to an index of UK Investment Companies (ex 3i) weighted by market capitalisation



Source: Columbia Threadneedle Investments

simultaneous disposals. At the end of the financial year, effective gearing was 5.3% compared to 4.7% a year earlier, reflecting use of cash for share buy-backs. Borrowings were made up of £35m 2.26% sterling loan notes maturing in 2039 and £16.1m of drawings in US dollars, Yen and Euros under our revolving credit facility. Reflecting the predominantly fixed rate nature of the debt, our borrowing costs remain low.

Costs

Ongoing charges (excluding performance fees from collective holdings) for the year reduced slightly over the year moving from 0.78% to 0.74%. Ongoing charges including performance fees from collective holdings were 0.74% (2024: 0.80%). We are pleased to report that these remain low compared to many smaller company funds in the market.

Responsible Investment

The Company is not an investment trust with ESG or sustainable characteristics. However, as part of its overall risk management process, the Manager integrates the consideration of financially material environmental, social, and governance ('ESG') factors into its research and investment process and encourages stronger ESG practices to be adopted by issuers through its engagement and voting activities. Some examples of this are outlined in the section on Responsible Investment on pages 24 to 27.

Board Changes

Following the Annual General Meeting on 13 August 2024, Jo Dixon retired from the Board. Jo was Chair of the Audit and Management Engagement Committee and Senior Independent Director and following her retirement Nick Bannerman and Graham Oldroyd were appointed to these roles respectively.

As reported in the Half-Year Report, as part of its succession plan, and having followed a formal recruitment process, assisted by the use of professional search consultants, the Board was pleased to appoint Zoe King as a non-executive Director, with effect from 12 December 2024.

I was appointed to the Board on 1 June 2015 so have now served for just over ten years. In accordance with the Board's long-term planning, I will retire following the conclusion of the forthcoming Annual General Meeting on 15 August 2025. I am pleased to report that the Board intends to appoint Graham Oldroyd to succeed me as Chairman. Graham is currently the Senior Independent Director and has in-depth investment knowledge, expertise and experience in international investment management as well as leadership skills and has made a significant contribution to the Company since joining the board in October 2019. As a consequence, Bulbul Barrett has agreed to take on the role of Senior Independent Director, from Graham from the conclusion of the forthcoming AGM.

Cancellation of the Share Premium Account and Capital Redemption Reserve

As I noted earlier, the pace of share buy-backs carried out by the Company has continued to increase as part of the Board's efforts to moderate discount volatility and to reduce the discount to NAV at which the Company's shares trade. The Company has a sizeable share premium account and capital redemption reserve, however these two reserve accounts are non-distributable. Cancelling the amounts standing to the credit of such reserves will provide the Company with additional flexibility as the resultant distributable reserves will be able to be used in future, if required, to fund share buy-backs, dividends and other returns of capital in accordance with applicable law. The Board is therefore seeking shareholder authority for the cancellation of the Company's share premium account and capital redemption reserve at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting will take place at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA on Friday, 15 August 2025 at 12.00 noon. We hope as many shareholders as possible will attend. Nish Patel, the Lead Manager, will give a review of the year together with his view on the outlook. We will also be streaming the meeting live on the internet so that those shareholders who cannot attend in person will be able to view the proceedings. The live stream can be accessed by registering here: https://www.investormeetcompany.com/the-global-smallercompanies-trust-plc/register

Voting on all resolutions at the AGM will be conducted by way of a poll, the results of which will be announced and posted on the Company's website following the meeting. You are therefore encouraged to lodge your votes prior to the meeting by completing your form of proxy or form of direction in accordance with the instructions shown.

Shareholders who are unable to attend the AGM are requested to submit any questions they may have with regard to the resolutions proposed at the AGM or the performance of the Company in advance of the meeting to gscagm@columbiathreadneedle.com. Following the AGM, the Lead Manager's presentation will be available on the Company's website at globalsmallercompanies.co.uk.

Outlook

The outlook for the world economy is complicated by the presence of numerous crosscurrents. What seems clear is that uncertainty is likely to remain high and there is a wide range of potential future outcomes.

There are several unanswered questions on which we may have more clarity in the coming 12 months. We don't yet know the final level of tariffs and what the impact of those might be on world economic growth and inflation. In recent years vast amounts of capital have been deployed on projects related to artificial intelligence and it will be interesting to see if those investments start to produce an adequate return this year. The size of fiscal deficits has been a concern for some time now and recent rising government bond yields suggest that the market is becoming more sensitive to this issue. This will be something to watch closely.

Positively, as deregulation takes hold, taxes are potentially cut and tariffs are finalised, the prospects for the US could improve. We now seem to have some political stability in the UK and strong consumer balance sheets, low exposure to tariffs and housing sector reform are all supportive factors for this economy. For Europe, rising fiscal spending and lower energy costs could also be helpful. Implementation of some of Mario Draghi's proposals for increased European competitiveness would be very welcome. Our expectation is that over the longer term Japan will continue to benefit from corporate reform and a return to inflation. Finally, the weakening of the US Dollar is not all bad news, as this has historically been helpful to the Emerging Markets and the Company has good exposure to this region.

Many of the factors that kept inflation benign for several years now appear to be reversing. Investors should take comfort that if the environment has changed, your Company is well prepared. Its portfolio of high quality companies have pricing power, robust balance sheets and strong free cash flow generation. Although last year was a difficult year, the Board is reassured that the portfolio is well diversified by sector and geography and the Manager is very well resourced. As illustrated in the Lead Manager's report, by refining the investment team approach and introducing a portfolio with higher conviction, the Manager can take advantage of the very best investment opportunities whatever is happening in the world.

Anja Balfour
Chairman
30 June 2025

Lead Manager's Review

"We have confidence that over the coming years our diversified portfolio of higher quality businesses is well positioned not only to grow but also to overcome challenges that will inevitably appear, helping the Company to create additional value for its shareholders."

Nish Patel, Lead Manager

Performance

The Company's NAV total return and share price total return were -4.8% and -5.6% respectively in the financial year. This compared to a -0.8% fall in the Benchmark. Disappointingly, the NAV total return lagged the Benchmark. In line with the investment trust sector as a whole, the discount to NAV widened slightly over the year and this meant that the share price total return for the year was also behind the Benchmark.

During the year, investment performance was mixed across the regional portfolios with outperformance (against their regional benchmarks) in Japan and the Rest of World outweighed by underperformance in the UK, Europe and North America. The background to this performance follows in this report. As a consequence, the Company's NAV total return is now behind its Benchmark over 1, 3 and 5 years.

To help improve investment performance, over the course of the year several changes were made to the way that the Company's assets are managed. The investment team was strengthened and the previously outsourced third party Japanese equities fund was internalised. To concentrate capital in the best investment opportunities, the number of holdings within the Company were reduced from 213 to 196. The team's approach to selling investments was refined. Finally, there was greater utilisation of additional resources within Columbia Threadneedle Investments such as central research analysts and multi manager teams. We believe these enhancements should lead to better investment performance in the future and we will look for opportunities to make further investment process improvements in the coming year.

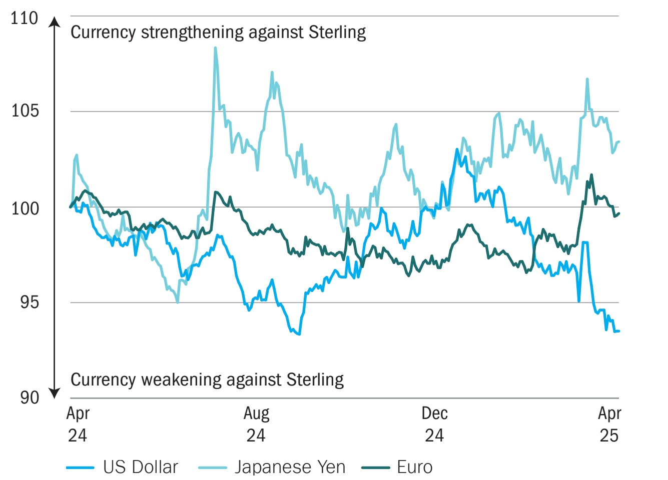
It was encouraging to see performance improve as the financial year progressed, suggesting that some of these changes are starting to produce results: the Company's NAV underperformed over the first 7 months of the financial year but was ahead over the last 5 months.

As of the end of the financial year, the Company's NAV has outperformed all of its AIC global smaller company investment trust peers over 5 years. As has been the case in recent financial years our investment income was strong, allowing the Board to recommend an inflation-beating 6.8% increase in the annual dividend. The Company's dividend per share has grown by 12.0% compounded over the last 10 years, one of the fastest rates of growth across the investment trust market. This reflects the financial success of the companies held in our portfolio.

Global Financial Markets Backdrop

Equities of smaller companies fell slightly across the globe in the financial year ended 30th April 2025, another period

Currency movements relative to sterling in the year ended 30 April 2025



Source: Columbia Threadneedle Investments

in which market performance was concentrated in larger companies. The smaller companies market trended upwards for the first seven months of the financial year, helped by better than expected earnings and optimism that the newly elected governments of several countries would address longstanding concerns of voters. However, the last five months of the financial year were challenged by stubborn inflation and what appeared to be a deceleration in economic growth. This was exacerbated in January by the launch of DeepSeek, a lower cost large language model developed in China that provides genuine competition to US competitors in the area of artificial intelligence. Tensions over tariffs started to build from the middle of February and culminated in Donald Trump's announcements on 'Liberation Day' which sparked a period of heightened market volatility. Towards the end of the financial year, markets somewhat regained their footing as the US administration backtracked on some of its rhetoric on trade.

Growth stocks once again outperformed value stocks. Financials, telecommunications and utilities emerged as the strongest sectors, while energy, basic materials, and healthcare lagged. Smaller companies delivered solid earnings growth in the year, especially in Japan and the Rest of World. However, this was offset by a contraction in smaller company equity market valuations.

The North American smaller companies market led the way for most of the financial year. Market strength was supported by good economic data and lower inflation. The Republican Party's victory in the presidential election offered the promise of corporate tax cuts and deregulation, raising optimism amongst investors. However, from the middle of February we started to see a very clear rotation away from North America into other markets. Ultimately, this meant the region underperformed over the financial year.

UK smaller companies showed signs of recovery after two lacklustre years, rising by 4.0% in the period. This was despite a challenging domestic economic environment, an ongoing political transition and a potentially slower pace of monetary policy easing compared to other major economies. The new Labour Government's Budget in October created some uncertainty and concerns over an increase in Capital Gains Tax, led to pre-emptive selling of shares by UK investors. Outflows from actively managed UK equity funds continued in the period. Another noticeable trend in the UK stock market was weakness in the Alternative Investment Market (AIM) with these shares as measured by the FTSE AIM All Share Index falling in the year by 6.8% in total return terms, mostly because of fears over the removal of an inheritance tax exemption on these investments.

Europe staged a recovery in the financial year with its smaller companies market rising by 6.0% with particularly strong returns from Spanish and Italian companies as well as the banking sector as a whole. Europe also benefitted from inflows, as investors sought value opportunities away from expensive US stocks.

Japanese smaller companies continued their revival and outperformed smaller companies in other major markets in the year. Solid earnings growth, a lower yen and a strong showing from the communication services sector supported the market. Changes in corporate governance continued at smaller Japanese businesses, in many cases spurred by rising activism. Encouragingly, the market bounced back quickly after an unexpected interest rate hike in August triggered the largest single-day decline since the 1987 Black Monday crash.

The Rest of World showed significant regional divergence. Strength in China, Taiwan and Malaysia was partially offset by weakness in India and Indonesia. Eastern Europe performed well whilst Latin America had a more difficult year.

Table of total returns (sterling)

	1 year		3 years		5 years		10 years		15 years	
	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark	Regional Portfolio	Regional Benchmark
UK	-13.4%	4.0%	-14.6%	8.1%	22.1%	56.1%	56.4%	60.2%	294.5%	217.6%
Europe	-1.8%	6.0%	0.5%	10.7%	32.9%	58.4%	71.9%	121.9%	274.6%	233.2%
North America	-4.8%	-4.0%	0.6%	4.8%	58.6%	53.1%	142.1%	115.0%	345.8%	290.3%
Japan	11.0%	6.6%	33.4%	24.7%	42.8%	33.1%	91.8%	104.8%	248.7%	206.5%
Rest of World	-3.1%	-7.2%	5.1%	0.5%	48.4%	65.0%	60.2%	72.8%	147.2%	119.2%

The regional benchmarks used are Deutsche Numis UK Smaller Companies (excluding investment companies) Index (UK), MSCI Europe Ex UK Small Cap Index net (Europe), MSCI North American Small Cap Index net (North America), MSCI Japan Small Cap Index net (Japan) and MSCI All Country Asia Pacific ex Japan Small Cap Index net (Rest of World).
Source Columbia Threadneedle Investments

Despite the start of an interest rate cutting cycle, government bond markets traded in a range and 10 year yields remained at elevated levels relative to those seen over the last 15 years. Credit spreads were quite narrow for most of the year but then widened in April as uncertainty increased. On a trade weighted basis, the US Dollar weakened over the year and other major currencies strengthened.

Commodity markets showed mixed performance. Oil and industrial metals declined. In contrast, it was a standout year for gold: purchases by central banks and the safe haven status of the yellow metal led it to appreciate by 41%.

Regional Portfolio Performance

The UK and European portfolios had a disappointing year with returns weighed down by stock specific challenges in both regions. For the UK there was a significant headwind from the selling of shares by investors ahead of an increase in Capital Gains Tax and the removal of an inheritance tax exemption on AIM listed stocks. Frustratingly, the North American portfolio failed to keep up with a rampant US market in October and November as investors eagerly looked forward to a Republican victory in the US Election. Relative performance in North America improved in the final months of the year on the realisation that some of the promises made during the election campaign would be difficult to execute. Positively, our Japanese and Rest of World portfolios had a good year helped by strong stock selection and specifically in the case of the latter, a narrowing in discounts in our investment trust holdings.

Summary of Performance from the Company's Investments

Amidst much geopolitical uncertainty gold and insurance were two areas that were seen as safe havens and we benefitted from our holdings in **Wheaton Precious Metals** (the largest single stock holding of the Company, up 51%) and **Brown & Brown** respectively. The outlook for defence related companies changed after Russia's invasion of Ukraine in 2022. With Europe now looking to be self-reliant from a security standpoint there was further improvement in the backdrop for these companies. We have significant exposure to defence and our investments in **Curtiss-Wright**, **QinetiQ** and **Renk** all performed well in the financial year. It was very pleasing to see our cohort of 'compounders' of earnings deliver another year of progression. These are businesses that have very strong competitive advantages and a long runway of growth opportunities. We have high conviction that these businesses can grow reliably over the long term and some of them have been held by the Company for as long as 18 years. Within this group, **Encompass Health**, **Genpact**, **Auction Technology Group** and **CTS Eventim** all successfully executed on their growth strategies and consequently delivered strong share price appreciation. Seven of our companies received takeover bids in the year. These were US waste management specialist **Stericycle** and six businesses within the UK portfolio: media company **Ascential**, warehouse owner **Warehouse REIT**, hotel operator **Dalata Hotel Group**, restaurant chain **Loungers**, building products company **Tyman** and payments network **Equals Group**. The Japanese portfolio has significant exposure to companies that are undertaking changes in corporate governance and capital allocation. This has been a fruitful area for us and in the period **Sanwa Holdings**, **Tomy** and **Nippon Television Holdings** all benefitted from a re-rating.

During the financial year, there were also some company specific challenges within the portfolio, the most notable ones being **WEX**, **YouGov** and **Next 15**. These companies have been fully reviewed and we have held our positions in WEX and YouGov and sold Next 15. The price of oil dropped by 28% in the period, hurting the energy sector and related businesses. Our holdings were not immune and **Kirby**, **Kosmos Energy** and **Ashtead Technology** were particularly hit by this. In the year, markets continued to recognise the fast-growing area of artificial intelligence, concentrating investment in this area at the expense of other opportunities in the wider semiconductor sector, creating downward pressure on the share prices of semi-conductor companies not strongly associated with artificial intelligence. This and specific trading issues such as inventory reduction negatively impacted **CDW** and **MaxLinear**. The automotive sector had a difficult year because of lower demand and increased competition from China. This cyclical weakness dragged down **Stabilus** and **Niterra**. Earnings from our companies showed a deterioration in demand from Chinese customers. This especially hindered life sciences equipment manufacturer **Tecan** and pump producer **Ebara**. Trade restrictions created additional pressure on businesses selling to China and this affected **ASM International**. Companies in the consumer staples sector such as **Glanbia** and **Morinaga** were impacted by higher input costs. In these cases it was whey and cocoa respectively. Over the course of the financial year, 21% of the assets of the UK portfolio were invested in AIM listed companies. The aforementioned selling pressure weighed on these UK holdings, dragging down returns.

On the pages that follow there are tables outlining for each region the largest contributors and detractors to performance over the year and reasons for those movements.

North American Portfolio

Largest contributors to performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
Wheaton Precious Metals	Owner of precious metal royalty streams.	51.7%	2.0%	Higher gold price. Long term production guidance exceeded expectations. Announced a royalty agreement for Montage Gold's Kone project in Cote D'Ivoire.
Brown & Brown	Insurance broker that focuses on small and medium sized businesses.	27.9%	1.1%	Rising insurance rates, new business wins and stable retention led to strong organic revenue growth in the year. Announced several acquisitions.
Encompass Health	Provider of inpatient rehabilitative healthcare services.	32.5%	1.0%	Strong patient volume growth. More favourable payor mix and lower labour costs drove margin expansion. Opening of new locations.
Curtiss-Wright	Producer of mission-critical components for the aerospace, defence, general industrial and power sectors.	27.9%	0.9%	Higher spending in the company's defence and nuclear end markets led to healthy revenue and earnings growth.
Genpact	A business process outsourcer that focuses on the verticals of financial services, consumer, healthcare, technology and manufacturing.	55.7%	0.9%	Increased adoption of the company's generative artificial intelligence offering. Improved management execution resulted in a solid contract win rate.

Largest detractors from performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
Kosmos Energy	Oil and gas exploration and production.	-74.5%	-1.2%	Lower oil price. Operational challenges in the Jubilee Field and a delay in the start up of the company's Tortue project created a shortfall in production.
WEX	Payment processing services in the areas of mobility, benefits and corporate payments.	-42.2%	-1.0%	Lower fuel price and volumes affected profitability in the mobility business. Corporate payments segment hindered by the transition of a travel related customer to a new contract.
CDW	Value added reseller of technology.	-37.0%	-0.8%	Slowdown in spending by customers on large projects. Increased price competition.
MaxLinear	Producer of semiconductors for broadband communications.	-55.0%	-0.7%	Weakness in spending on broadband equipment. Industry wide inventory correction.
Kirby	Operator of tank barges that transport refined petroleum products and chemicals.	-17.2%	-0.6%	Lower activity from petrochemical related customers.

(1) This is the share price total return in GBP over the period that the shares were held
(2) This is the geometric total effect of holding the stock within the regional portfolio.
Source: FactSet

UK Portfolio

Largest contributors to performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
Auction Technology	Supplier of proprietary auction platform technology for online marketplaces.	16.8%	0.4%	Previous investments by the business to grow revenues started to produce results. Optimism grew over the introduction of the company's value added services offering.
QinetiQ	Provider of services, research and products to the defence sector.	35.2%	0.4%	Improved outlook for spending in the defence sector. Change in capital allocation away from acquisitions and towards share repurchases.
Loungers	Operator of a chain of restaurants.	31.6%	0.3%	Takeover bid from Fortress Investment Group.
Baltic Classifieds	Online classifieds platform that serves customers in the Baltic states.	38.5%	0.3%	Concerns over the impact on the business of the war in Ukraine abated. A healthy market backdrop and increased customer engagement led to strong profit growth.
Paragon Banking Group	Specialist lender that focuses on buy to let mortgages and commercial loans.	24.2%	0.3%	Despite a challenging environment the company delivered good loan and profit growth and reported low credit costs. Optimism grew that loan volumes might soon recover.

Largest detractors from performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
Next 15	Data-driven consultancy business that helps its clients to develop their brands.	-51.0%	-1.3%	Weaker than expected earnings because of softness in the company's technology and government divisions. Contract loss from a large client.
Ashtead Technology Holdings	Rental and sale of equipment that is used in oilfields.	-32.3%	-1.1%	Lower oil price and uncertainty over the new UK government's position towards drilling in the North Sea offset solid earnings from the company.
YouGov	A provider of market and opinion research, stakeholder consultation and indices.	-66.5%	-0.9%	Competition intensified in the Data Products business. This brought prices down. Costs for 3rd party data climbed in the Custom Research division.
Kitwave	Distributor of confectionary, food and drink to mostly independent convenience stores and restaurants.	-20.1%	-0.7%	AIM stock that faced selling pressure. Some concerns over adverse weather and the cost of the company's growth investments.
Essentra	Supplier of specialty plastic and fibre components to a wide range of industries.	-47.9%	-0.7%	Lower demand in Europe dampened sales volumes and led to a profit warning.

(1) This is the share price total return in GBP over the period that the shares were held
(2) This is the geometric total effect of holding the stock within the regional portfolio.
Source: FactSet

Europe Portfolio

Largest contributors to performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
RENK	Producer of drive systems for military vehicles.	85.4%	2.0%	Increased investor interest in European defence companies following the commitment by European countries to raise their spending on defence.
Karnov	Provider of information systems and software in the areas of legal, tax accounting and EHS (environment, health and safety).	77.0%	1.3%	Organic revenue growth accelerated and margins widened. Successful integration of recent acquisitions. Takeover interest from private equity.
CTS Eventim	Distributor of tickets for live entertainment. Organiser of tours and events.	26.6%	0.9%	Earnings lifted by the Paris Olympics and Paralympics. Won contracts for newly announced music tours and corporate events.
Avanza Bank	Online securities trading platform.	49.7%	0.7%	Reported strong net inflows from customers. Higher trading activity and interest income boosted earnings.
Nordnet	Digital platform for savings and investments.	40.3%	0.6%	Increased client activity, shift towards higher margin transactions on international markets.

Largest detractors from performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
ASM International	Manufacturer of machines that process silicon wafers and that assemble and package semiconductors.	-28.5%	-1.1%	Concerns mounted over a potential slowdown in sales growth from China because of export controls. Industry valuations compressed after DeepSeek emerged.
Stabilus	Producer of gas springs and motion control devices for automotive and industrial markets.	-50.4%	-1.0%	Automotive and industrial end markets weakened, prompting a profit warning. Concerns over the impact of tariffs on future profitability.
Tecan	Developer of life sciences related laboratory automation systems and components.	-51.7%	-1.0%	The company's Chinese business deteriorated. Customer orders were deferred. The expected recovery in the wider life sciences market did not materialise.
Glanbia	Producer of dairy and performance nutrition products.	-34.2%	-0.9%	Higher whey prices and increased competition dampened the outlook for profits for this year.
Davide Campari-Milano	Owner of alcoholic spirit brands.	-44.8%	-0.8%	Revenue growth slowed down as industry wide consumption trends waned.

(1) This is the share price total return in GBP over the period that the shares were held
(2) This is the geometric total effect of holding the stock within the regional portfolio.
Source: FactSet

Japan Portfolio

Largest contributors to performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
SWCC	Manufacturer and distributor of wires and cables to telecommunications, electronics and utility companies.	63.6%	2.2%	Strong earnings progression as a result of wider investment in domestic power infrastructure and sales growth from newly introduced products.
Sanwa Holdings	Global producer of shutters and doors for residential and commercial buildings.	91.2%	2.2%	Higher volumes and selling prices in the company's North American business. Additional value creation from cost cutting and share repurchases.
Tomy	Designer and producer of toys and games for children.	26.3%	2.1%	New releases led to healthy earnings growth. Increased focus by management on shareholder returns.
Nippon Television Holdings	Commercial television broadcaster.	50.1%	1.9%	Announcement of new strategy to simplify the business and divest non core holdings.
PAL Group	Manufacturer and retailer of casual apparel.	120.6%	1.4%	E-commerce sales growth accelerated, helping the company to expand its profit margins.

Largest detractors from performance

Company	Business activity	Share price movement(1)	Contribution to performance of regional portfolio(2)	Reasons for movement
Sojitz	Conglomerate with businesses in several industries: automotive, aerospace, infrastructure, healthcare, consumer, retail, metals and minerals.	-15.7%	-1.1%	As production volumes in the metals and minerals business declined, doubts grew over whether the company could meet its earnings targets.
Niterra	Automotive components producer.	-7.6%	-0.7%	Challenged by low automotive production in Europe and an adverse inventory adjustment.
Ebara	Manufacturer of pneumatic and hydraulic pumps and related equipment.	-28.0%	-0.7%	Lower orders and weakened demand from China prompted a cut to earnings forecasts.
Qol Holdings	Operator of a chain of pharmacy stores.	-17.9%	-0.6%	Higher purchasing and personnel costs hindered profitability at the company.
Morinaga	Producer of confectionery, soft drinks and ice cream.	-9.4%	-0.5%	A higher cocoa price led to earnings that were below expectations.

For part of the year the Company held a position in The Eastspring Investments Japan Smaller Companies Fund. This was fully divested in December 2024 and the proceeds from this sale were reinvested in the internally managed Japanese portfolio. Whilst held in the financial year, The Eastspring Investments Japan Smaller Companies Fund delivered a return in GBP of 1.4%, making a positive relative contribution to the Company's overall Japanese portfolio.

(1) This is the share price total return in GBP over the period that the shares were held
(2) This is the geometric total effect of holding the stock within the regional portfolio.
Source: FactSet

Rest of World Portfolio

Overview of performance from third party funds held

Fund	Stated Fund Objective	Return in the period[1]	Contribution to performance of regional portfolio[2]	Drivers of return
The Scottish Oriental Smaller Companies Trust	To achieve long-term capital growth by investing mainly in smaller Asian quoted companies.	9.0%	5.1%	Strong performance from Chinese holdings including DPC Dash (China's Domino's Pizza franchise), Uni-President China (a producer of instant noodles) and NetEase Cloud Music (an online music platform). Very good stock selection in China and India. Positive attribution from consumer discretionary and consumer staples sectors. Narrowing in discount to NAV. Shares were repurchased at a discount to NAV.
Utilico Emerging Markets Trust	To provide a long-term total return through a flexible investment policy that permits the company to make investments predominantly in infrastructure, utility and related sectors, primarily in emerging markets.	0.5%	1.7%	NAV movement behind benchmark. This was offset by narrowing in discount to NAV. Good performance from port operators and data centre businesses. Takeovers also helped. Performance affected by write down of Petalite (an unlisted investment in an electric vehicle related business) and depreciation of Latin American currencies against Sterling. Shares were bought back by this investment trust in the year.
Schroder ISF Emerging Markets Smaller Companies Fund	To provide capital growth in excess of the MSCI Emerging Markets Small Cap (Net TR) Index after fees have been deducted over a three to five year period by investing in equities of small-sized companies in global emerging market countries.	-5.8%	0.8%	Good stock picking in India and Taiwan, particularly in the consumer discretionary and technology sectors. Partially offset by negative attribution from stock picks in Korea and Poland.
PineBridge Asia ex Japan Small Cap Equity Fund	To seek long-term capital appreciation by investing in smaller to medium-sized companies in the Asian Region.	-14.3%	-1.7%	Adverse stock selection in technology sector in Taiwan due to not having enough exposure to AI companies. Underperformance from investment in Alchip Technologies (a semiconductor design and manufacturing business). Broader based underperformance in China. Partially offset by good stock picking in Australia and overweight positioning in China.

(1) This is the fund total return in GBP over the period that the fund was held
(2) This is the geometric total effect of holding the fund within the regional portfolio.
Source: FactSet

Overview of Investment Activity

The Company has been building up its exposure to the infrastructure sector for some time. In many developed countries infrastructure is aged and in need of replacement. Consequently, governments are increasing their spending in this area. We augmented our position in this sector by adding **Hill and Smith** and **Galliford Try** in the UK and **SPIE** and **Bilfinger** in Europe. Similarly, defence companies have a good outlook because of high threat levels and the ongoing rearmament of Europe. In the year we added **CACI**, **RENK** and **IHI** to our defence holdings. Interest rates came down in the financial year and may fall further. Property transactions should pick up as interest rates decline and this should help recently purchased real estate services companies **Jones Lang LaSalle** and **Savills**. House construction and remodelling would also benefit from lower interest rates and we added to our holdings in this sector through the purchase of home builders **Cairn Homes** and **Open House** and building products specialists

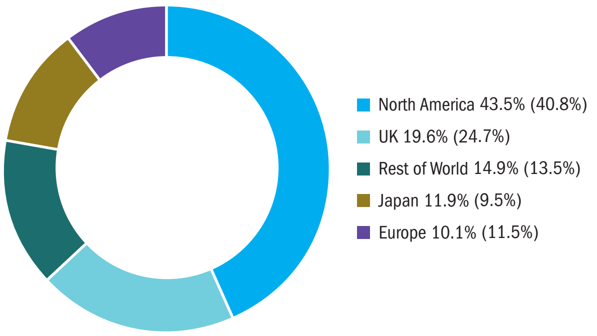
Wienerberger and **Nichias**. After a long inventory correction, another cyclical industry that we think is early in its recovery is semiconductors and electronic components; in North America we purchased **Advanced Energy Industries** and increased our holding in **MaxLinear**. One of the Republican Party's priorities is deregulation. The outlook for returns and M&A activity in the banking sector improved following the US election and so we added to our holdings in **United Bankshares** and **Prosperity Bancshares**. We are always looking to enlarge our stable of 'compounders' and in the last 12 months we invested in five businesses that we think will reliably grow their intrinsic values in the coming years: **CCC Intelligent Solutions** (a US vertical software business), **SharkNinja** (a US producer of household appliances), **Moonpig Group** (the UK's leading online greeting card and gifting platform), **DO & Co** (a global catering business headquartered in Austria) and **Gaztransport Et Technigaz** (a French business that produces containment systems for liquefied natural gas).

Our process for selling investments is outlined in the investment philosophy and process section of the annual report on page 3. In keeping with that process we did reduce or fully divest a number of holdings in the year. In the US we thought that the investment thesis was no longer intact for fuel distributor **World Kinect** and crop protection specialist **American Vanguard**. Similarly, in Europe, the investment case was no longer valid for brewer **Royal Unibrew**, alcoholic spirits producer **Remy Cointreau** and oilfield services company **TGS**. In Japan flow control equipment producer **Ebara** and radiation equipment specialist **Rigaku Holdings** were also jettisoned. There were four companies that were sold because the quality of their business models deteriorated to an extent that they were no longer investable for the Company. These were: **SSR Mining**, **Dine Brands Global**, **Watches of Switzerland** and **Schoeller-Bleckmann Oilfield Equipment**. There were also many instances of profit taking or complete sales once a company's share price reached our estimate of intrinsic value. These included: **Cognyte Software**, **Kirby**, **Eagle Materials**, **Wheaton Precious Metals**, **Accelleron Industries**, **Tomy**, **Hosiden** and **SWCC**. In a similar vein, the aforementioned takeover bids were also monetised. For three companies we took the opportunity to switch into a better quality or a more attractively valued alternative. In the telecommunications industry we switched from **Viavi Solutions** to **Amdocs**. In defence we swapped **QinetiQ** for **Chemring** and in UK banks **OSB Group** was sold to fund the purchase of **Paragon Banking Group**.

Asset Allocation Changes

Asset allocation for the Company is largely the end result of our bottom-up stock selection and reflects where we are finding attractive investment opportunities. The Company's absolute and relative weightings in North America, Japan and the Rest of World rose in the financial year, whilst its exposures to the UK and Europe fell. As of the end of the financial year we were overweight to Japan and Europe and underweight to North America, the UK and the Rest of World. Corporate reform is leading to an improvement in the quality of many businesses in Japan, whilst European growth may finally be picking up. We think this is still not fully reflected in company valuations in these geographies. In contrast, trade tensions may dampen the outlook for earnings from companies in North America and parts of the Rest of World. Our largest sector allocation is to industrials which is the home of not only manufacturers but also commercial services businesses and transportation companies. In the year purchases of new holdings in defence and infrastructure related businesses increased our weighting

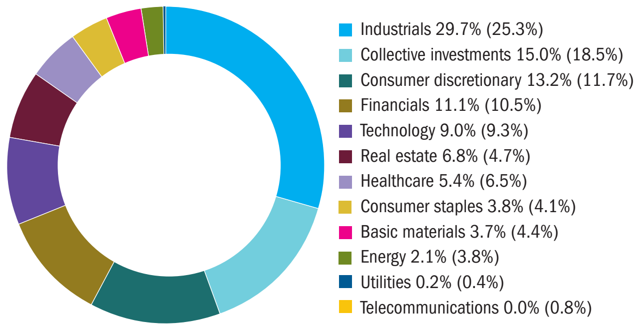
Geographical distribution of the investment portfolio as at 30 April 2025



The percentages in brackets are as at 30 April 2024

Source: Columbia Threadneedle Investments

Industrial classification of the investment portfolio as at 30 April 2025



The percentages in brackets are as at 30 April 2024

Source: Columbia Threadneedle Investments

in this sector. The addition of home builders and property services companies increased our exposure to the consumer discretionary and real estate sectors respectively. With the sale of the Eastspring Investments Japan Smaller Companies fund, collective investments as a group fell to 15.0% of the portfolio from 18.5%. The fall in the oil price led to a decline in the Company's weighting in the energy sector. Profits were taken in basic materials.

Outlook

Looking ahead, financial markets face a complex set of opportunities and challenges. It seems likely that market volatility will be higher than in recent years, potentially exacerbated by the increasingly short-term nature of most market participants. This could provide a better investing environment for long term, active managers such as ourselves.

For over a decade the US has been a popular destination for global capital and this has helped to lift equity market valuations there. With lower confidence in 'US exceptionalism', it would be only natural to see those historic flows of capital reverse given the more attractive valuations and improving relative growth prospects in other parts of the World.

Given the likelihood of higher inflation in the US because of tariffs, the Federal Reserve may be somewhat limited in what it can do to support economic growth. Other central banks across the World may have more leeway to cut interest rates, providing support to their economies and equity markets.

We are optimistic that this broadening of investment across equity markets will also include smaller companies, which have been shunned in recent years. With lower relative valuations and greater sensitivity to economic growth and falling interest rates, the outlook for smaller companies seems brighter, especially for those outside of the US.

Over the years our aim has been to offer you the faster growth potential that is inherent in smaller companies, but with lower levels of risk. We have reduced risk by focussing on higher quality companies that can withstand the typical challenges that smaller companies face. We have also invested in these businesses when they have been available at a discount to what we think they are intrinsically worth, in order to limit our downside if we are wrong in our analysis. In a somewhat uncertain environment we are convinced that this selectivity and focus on risk and capital preservation will be as important as ever.

We have confidence that over the coming years our diversified portfolio of higher quality businesses is well positioned to not only grow but also overcome challenges that will inevitably appear, helping the Company to create additional value for its shareholders.

Nish Patel
Lead Manager
30 June 2025

Responsible Investment

Responsible Investment

The Company is not an investment trust with ESG or sustainable characteristics. However, as part of its overall risk management process, the Manager integrates the consideration of financially material environmental, social, and governance (**'ESG'**) factors into its research and investment process and encourages stronger ESG practices to be adopted by issuers through its engagement and voting activities. We believe investing responsibly is fundamental to long-term wealth creation.

Our Approach

We believe that good financial outcomes are more likely to be achieved if the Manager fully understands the risks and opportunities that relate to the markets in which the Company invests.

The Manager believes the consideration of financially material ESG factors can provide an important perspective to its investment research. Companies demonstrating a resilient business model, organisational stability, and the ability to evolve are best placed to deliver long-term value, support economic growth, and serve broader prosperity. Financially material ESG factors are therefore integrated into the Manager's investment process.

There are two strands to the Board's approach to responsible investment:

- The Company's own responsibilities on matters such as governance; and
- ESG integration, engagement and proxy voting made on its behalf by its Manager.

The Company's compliance with the AIC Code of Corporate Governance is detailed in the Corporate Governance Statement on pages 55 to 56. In addition, the Principal Policies statement on pages 43 to 45 notes the Company's policies towards board diversity and inclusion, integrity and business ethics, and the Modern Slavery Act 2015.

Active Ownership

The Manager engages with the management of investee companies on ESG factors that could have a material impact on their businesses and, where necessary, encourages improvement in management practices that it believes could help drive financial returns for clients.

The Manager's active ownership activities are supported by policies on corporate governance, proxy voting, engagement and investment strategy-specific policies, as well as respective addendums on how to manage potential conflicts of interest. These documents support and inform the Manager's engagement and voting activities on behalf of its clients and are available on its website.

The Manager's Corporate Governance Guidelines set out its expectations of the management of investee companies in terms of good corporate governance. This includes the affirmation of responsibility for reviewing internal ethics policies and maintaining a code of conduct reflecting corporate values and promotion of ethical business practices. Codes of conduct should address business-critical compliance issues including anti-corruption practices. The Manager is a founding signatory to the United Nations Principles for Responsible Investment (**'UNPRI'**) under which signatories contribute to the development of a more sustainable global financial system. As a signatory the Manager aims to incorporate the consideration of financially material ESG factors into its investment processes.

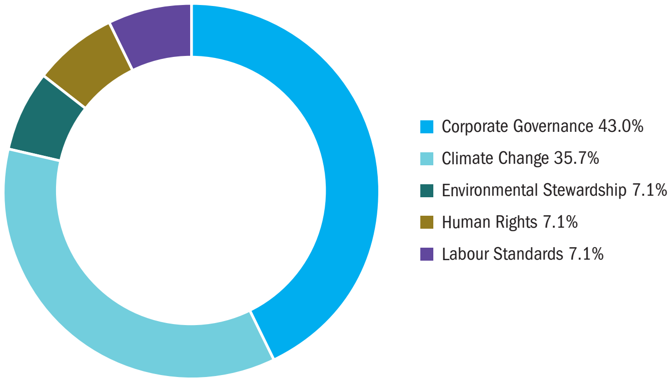
ESG and the Investment Process

The Manager has tools which use data from many sources to enhance and inform the integration of ESG considerations into investment research, portfolio construction and risk monitoring. Key tools include:

- ESG materiality ratings;
- Sustainable Development Goals (**'SDG'**) mapping tool;
- Net Zero Framework;
- Good governance model;
- Exclusions framework; and
- Controversy rating.

These tools mark a starting point for the Manager's ESG assessment. The Fund Manager works with the sustainable research analysts to ensure that those performing the work on individual investment opportunities for the Company are well informed in what to look for in relation to the ESG aspects of their analysis. Specialism within the global sustainable research team allows the fund managers to liaise with those who understand the key ESG issues relating to a particular sector.

Engagement



During the year ended 30 April 2025, the Manager's Responsible Investment (**'RI'**) team engaged with the management of 19 companies in the Company's portfolio, across 7 countries. The most common topics for discussion were corporate governance and climate change.

Engagement examples in the year:

Engagement
Genuit Group **Issue: Climate Change** **SDG target: 13.2 Integrate climate change plans into policies and strategies** Genuit Group is a UK supplier and manufacturer of water, climate, and ventilation products for the built environment. The company has a focus on sustainability across its climate, water and building solutions units. The Manager's RI team met with the company CEO and CFO to discuss Genuit's decarbonisation strategy and market opportunities. The UK's Future Homes Standard (**'FHS'**) is a government policy aiming to improve energy efficiency and carbon reduction practices in construction, with expected implementation from 2025. The company sees these standards and climate impacts as secular growth drivers, particularly in water management solutions, driven by the Asset Management Period 8 (**'AMP8'**) investment framework. The framework will see billions allocated to water infrastructure, with significant funds earmarked for reducing harm from storm overflows in the UK. In anticipation of increasing carbon costs, Genuit have already reduced raw material emissions through, for example, procurement, and believe they are ahead of peers in this area. The company's environmental product declarations demonstrate a commitment to transparency and also allow clients to evidence lower carbon attributes. The company view themselves as structurally exposed to both climate adaptation and decarbonisation trends. We agree with this assessment, forming part of our investment case.

Gunma Bank
Issue: Corporate Governance
SDG target: 10.2 Empower and promote inclusivity for all

Gunma Bank is a Japan-based regional bank, providing traditional banking and leasing services. The Manager's RI team met with their investor relations team to gain a better understanding of their current governance structures and capital allocation strategy.

The company detailed both its current capital management strategy and areas of future focus. The Manager's RI team was pleased to see plans to continue to reduce cross-shareholdings by 2027 and, overall, was impressed with how it manages its capital efficiently.

On governance, the Manager's RI team noted board gender diversity opportunities. The company highlighted it has been difficult to recruit women and understands both investors and the Tokyo Stock Exchange would like to see increased board gender diversity, and this continues to be an area of focus for them.

The company has done excellent work increasing participation by women in the workforce, including establishing an employee relations group for women and increasing the number of women in management year over year for several years.

Finally, on executive compensation, the Manager's RI team was pleased at the level of detail the company provided on the evaluation process, which included multiple meetings of the voluntary compensation committee, peer benchmarking, and inclusion of SDG indicators. The Manager's RI team found the engagement helpful and the company's disclosures and practices to be market leading.

Healthcare Realty Trust
Issue: Climate Change, Labour Standards
SDG target: 13.2 Integrate climate change plans into policies and strategies

Healthcare Realty Trust is a US real estate investment trust (**'REIT'**) that owns and operates medical outpatient buildings primarily located around hospital campuses. The Manager's RI team met with the company's VP of Investor Relations and their Director of Corporate Responsibility to discuss Healthcare Realty's ESG programme.

The Manager's RI team reviewed Healthcare Realty's materiality assessment, conducted during 2023. The biggest surprise to the company was the lower importance that external stakeholders placed on green certifications given its importance to the company's line of credit. The number one priority for most tenants is energy efficiency given this enables cost savings.

Healthcare Realty's climate strategy is focused on scope 1&2 emissions and lags some peers. A new target was set for the group aiming for a 30% reduction by 2032. The Manager's RI team encouraged improvement of disclosures around the target roadmap with quantification of identified decarbonisation levers using bottom-up modelling.

The Manager's RI team also raised the integration of culture following Healthcare Realty's 2022 merger with Healthcare Trust of America. This has been a focus area for company management with executive level involvement. The staff turnover rate, however, had been dropped as a metric as the company are having internal conversations around whether this is the right measure. The Manager's RI team encouraged the company to report this number as it is something investors track. The Manager's RI team also encouraged sharing the outcomes of the employee engagement survey which is being conducting for the first time.

Voting on portfolio investments

As noted previously, the Manager's Corporate Governance Guidelines set out expectations of the boards of investee companies in terms of good corporate governance. The Board expects to be informed by the Manager of any sensitive voting issues involving the Company's investments and receives an annual record of votes against, or abstentions on, management resolutions at investee annual meetings. In the absence of explicit instructions from the Board, the Manager is empowered to exercise discretion in the use of the Company's voting rights and votes on all investee company resolutions.

The Manager is a signatory to the UK Stewardship Code. Its statement of compliance can be found on the Manager's website at www.columbiathreadneedle.com.

We expect the Company's shares to be voted on all holdings where possible. During the year, the Manager voted at 211 meetings of investee companies held in the Company's portfolio.

The Manager did not support management's recommendations on at least one resolution at approximately 33% of all meetings. With respect to all items voted, the Manager supported over 95% of all management resolutions.

One of the most contentious voting issues remained compensation. Either by voting against or abstaining, the Manager did not support approximately 9% of all management resolutions relating to pay, often due to either poor disclosure or a misalignment of pay with long-term performance.

Climate change

The Manager recognises the importance of managing financially material climate-related risks and opportunities effectively in its investment and stewardship processes. The energy transition, driven by government policies and technological advancements, creates both opportunities and risks for investee companies. Sustainability Research analysts work with the wider fundamental research team to embed these opportunities and risks into the Manager's investment process. As potential real-world impacts of climate change become more apparent, attention is being directed to the physical risks and the need to appraise the resilience of issuers to these risks.

In June 2024, the Manager published its updated Climate Report. The report, which is available on the Manager's website, details how the Manager manages climate-related risks and opportunities, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (**'TCFD'**).

In accordance with the regulations set by the Financial Conduct Authority, the Manager has published disclosure specific to the Company's portfolio. This provides data on the portfolio's carbon footprint and the largest individual contributors to the carbon footprint by individual issuer and sector, in addition to its weighted average carbon intensity (**'WACI'**). This is available on the Document Library page of the Company's website at globalsmallercompanies.co.uk

For the sixth year, we are disclosing, as best we can, the portfolio weighted carbon intensity[1] of the Company's investments, in line with the recommendations of the TCFD. This is based on the greenhouse gas emissions produced by each investee company, per US$1m of revenue, and aggregated for the Company as a whole. We aim to use the information for analysis and for benchmark comparisons, but do not set targets based on it. There are constraints on the analysis of the carbon intensity of the total portfolio as data sources can be limited, especially for smaller companies.

Coverage continues to improve, and this year data was available for 97% of the combined UK, European and North American portfolios by weight. The WACI for these combined portfolios was 145.85 against the combined relevant benchmarks' carbon intensity of 120.69. This represents a 9.7% reduction in WACI for the combined portfolio over the last 12 months. The higher WACI for the combined portfolio relative to the benchmark was principally due to significant allocations to materials firms Martin Marietta Materials and Eagle Materials in the North American portfolio, and Buzzi in the European portfolio. These are currently high emitters but reflect a long-term focus on transition opportunities within the materials and building supplies industry. Over the year, exposure to materials has however come down.

To remain consistent with previous disclosure we continue to report on carbon intensity at a regional level. For UK, European and North American regions at the end of April 2025, the carbon intensity of the holdings was 48% less, 70% more and 31% more respectively against the relevant benchmark. (This compares to 27% less, 48% less and 80% more respectively as at 30 April 2024).

The variation across regions is influenced by the nature of the holdings and sector positioning. The pattern of these intensity results has shifted relative to those calculated last year. The Company's UK and North American portfolios have reduced their emissions intensity in comparison to the local small cap indices. However, the European portfolio's carbon intensity score has moved from below its benchmark to significantly higher than the benchmark over the last 12 months, mainly due to the addition of Italian cement manufacturer Buzzi SpA to the portfolio.

While operating in a high emissions sector, Buzzi is targeting net zero by 2050 and has recently reconfirmed a B score from CDP. This climate score (within a range of A-D) is based on disclosure completeness, awareness and management of environmental issues, and progress on environmental stewardship. A focus on transition opportunities within the materials and building supplies industry is also reflected in our engagements with companies such as Genuit Group, described above.

We are pleased to see again improved coverage of smaller companies in this year's carbon intensity analysis. However, we are mindful that the data does not provide a full picture of climate risks as it does not capture the innovation that companies may be undertaking to find solutions and to enhance their future emissions. Due to the company specific complexities of understanding individual company emissions profiles, engagement is a key pillar of Columbia Threadneedle's approach.

(1) Carbon intensity – this is measured in tons of CO2 equivalent (i.e. including the basket of six Kyoto gases) of Scope 1 and 2 emissions, divided by $1million of sales at a company level. This is aggregated to portfolio level using a weighted average (by holding).

Thirty Largest Holdings

30 April 2025	30 April 2024		% of total investments	Value £m
1	4	**The Scottish Oriental Smaller Companies Trust** Rest of World Investment company providing exposure to Asian smaller companies.	4.5	34.8
2	3	**Schroder ISF Global Emerging Markets Smaller Companies Fund** Rest of World Fund providing exposure to Emerging Markets smaller companies.	3.9	30.5
3	2	**Pinebridge Asia ex Japan Small Cap Fund** Rest of World Fund providing exposure to Asian smaller companies.	3.7	28.6
4	5	**Utilico Emerging Markets Trust** Rest of World Investment company focusing on utility and infrastructure companies in emerging markets.	2.8	21.9
5	10	**Wheaton Precious Metals** Canada A precious metals streaming company.	2.1	16.5
6	12	**Brown & Brown** United States Insurance broker, now the fifth largest global independent company in the market.	1.8	13.5
7	6	**Eagle Materials** United States A US producer of construction materials, including cement, aggregates, concrete, gypsum wallboard and recycled paperboard.	1.7	13.2
8	18	**Encompass Health** United States Leading US provider of post acute care in facility and home based settings.	1.7	13.0
9	13	**Curtiss-Wright** United States Producer of mission critical components, serving the aerospace, defence and power industries in particular.	1.6	12.6
10	7	**Kirby** United States Operator of a fleet of inland barges in the US, also a provider of repair services to marine and other end markets.	1.6	12.3
11	8	**The Ensign Group** United States Operator of skilled nursing facilities, rehabilitative care facilities, also provides home health and assisted living services mainly for post-acute care.	1.5	11.9
12	9	**Graphic Packaging** United States A vertically integrated producer of printed paperboard cartons for food and beverage products.	1.5	11.6
13	15	**Martin Marietta Materials** United States Aggregates and cement producer that serves the construction industry.	1.4	11.2
14	17	**WSP Global** Canada Canadian based but a leading global engineering consultancy business.	1.4	10.9
15	47	**Genpact** United States IT services outsourcing business operating across a number of industries.	1.2	9.5

30 April 2025	30 April 2024		% of total investments	Value £m
16	11	**LKQ Corp** United States A distributor of alternative car parts.	1.2	8.9
17	23	**Essential Properties Realty Trust** United States US based real estate company focused on service sector based tenants.	1.1	8.6
18	22	**Amdocs** United States Outsourced IT services provider to telecommunications sector.	1.1	8.6
19	14	**Boot Barn Holdings** United States US retailer of western and work wear.	1.0	7.9
20	43	**United Bankshares** United States A West Virginia based bank that lends to small and medium sized businesses.	0.9	7.2
21	38	**Prosperity Bancshares** United States USA based regional bank that focuses on commercial lending.	0.9	7.1
22	27	**Bristow** United States Provider of helicopter services for global energy and air sea rescue markets.	0.9	7.0
23	16	**Avnet** United States Distributor of computer products, semiconductors and electronic components.	0.9	7.0
24	32	**Grand Canyon Education** United States Education services provider serving US universities and colleges.	0.9	6.6
25	34	**Healthcare Realty Trust** United States USA based real estate company focused on the healthcare sector.	0.9	6.5
26	26	**Webster Financial** United States A Connecticut, USA based mid sized bank that focuses on commercial lending.	0.8	6.5
27	21	**CDW** United States Information technology products and services provider.	0.8	6.2
28	24	**Molina Healthcare** United States This is a managed care business providing health insurance in the US under government programmes.	0.8	6.2
29	30	**Hayward Holdings** United States Producer of residential swimming pool related equipment, systems and components.	0.8	6.0
30	44	**Nomad Foods** United States A producer of branded frozen foods.	0.8	5.9

The value of the thirty largest equity holdings represents 46.2% (£358.2m) (30 April 2024: 46.9% (£426.4m)) of the Company's total investments.

List of Investments

Quoted investments	Holding	30 April 2025 Value £'000s
UNITED KINGDOM		
1Spatial	2,479,321	1,140
4Imprint Group	30,221	1,028
Alphawave	1,761,324	2,228
Auction Technology	672,452	3,907
Bodycote	345,738	1,645
Boku	1,065,202	1,704
Breedon Group	592,608	2,552
Bridgepoint	713,865	1,909
Bytes Technology	524,239	2,655
Chemring	797,715	3,179
Clarkson	66,080	2,171
CLS Holdings	1,918,094	1,212
Crest Nicholson	1,387,670	2,492
Dalata Hotel Group	544,816	2,292
Discoverie	442,842	2,511
Eleco	818,185	957
Elementis	2,451,532	3,069
Enquest	7,590,936	1,040
Essentra	1,326,736	1,194
Everplay Group	986,261	2,633
FD Technologies	198,101	3,534
FirstGroup	1,374,469	2,367
Foresight Group Holdings	720,727	2,670
Future	222,382	1,564
Galliford Try	948,132	3,683
Genuit	784,235	2,984
Globaldata	1,176,871	2,089
Halfords Group	974,281	1,506
Helical	489,064	1,056
Hill & Smith	160,883	2,877
Hilton Food Group	284,863	2,532
Hollywood Bowl Group	821,291	2,398
James Fisher and Sons	500,019	1,510
Jet2 plc	156,487	2,476
JTC	351,523	2,928
Kainos Group	280,708	2,052
Kitwave	1,053,888	3,130

Quoted investments	Holding	30 April 2025 Value £'000s
Knights Group	1,497,882	2,000
LSL Property Services	862,525	2,415
Marlowe	503,845	1,713
Marshalls	1,194,623	3,351
Mitie	478,496	690
Molten Ventures	653,808	1,735
Moonpig	1,751,504	4,020
Morgan Sindall Group	5,505	194
Mortgage Advice Bureau	109,479	885
Optima Health	793,239	1,460
Oxford Biomedica	765,425	2,208
Oxford Instruments	142,521	2,337
Paragon Banking Group	588,693	4,960
PayPoint	522,650	3,523
Pets At Home	1,463,171	3,459
Rank Group	1,794,186	1,525
Rathbones Group	194,193	3,049
Reach	2,475,504	1,879
Savills	301,108	2,791
Senior	1,292,146	1,788
Shaftesbury Capital	2,353,873	3,192
SSP Group	1,537,814	2,276
The Gym Group	1,335,576	1,931
Treatt	456,283	1,164
Trifast	2,446,612	1,625
WAG Payment Solutions	3,468,053	2,046
Wilmington	638,470	2,292
Workspace Group	909,806	4,040
Xaar	1,381,341	1,409
XP Power	155,319	1,087
YouGov	716,566	2,046
TOTAL UNITED KINGDOM		151,964
EUROPE		
AUSTRIA		
Do & Co	5,715	677
Wienerberger	60,675	1,595
Total Austria		2,272
BELGIUM		

		30 April 2025
		Value
Quoted investments	Holding	£'000s
Azelis	29,105	337
Elia	15,740	1,277
Total Belgium		1,614
DENMARK		
Ringkjoebing Landbobank	27,040	3,873
Total Denmark		3,873
FINLAND		
Konecranes	52,695	2,637
Total Finland		2,637
FRANCE		
Elis	190,310	3,651
Gaztransport et Technigaz	17,596	2,141
Nexans	26,358	2,158
Planisware	54,615	1,109
SPIE	74,415	2,712
Total France		11,771
GERMANY		
Bilfinger	29,781	1,883
CTS Eventim	42,751	3,751
RENK	85,024	3,808
Total Germany		9,442
IRELAND		
Bank of Ireland Group	413,496	3,630
Cairn Homes	500,275	824
Glanbia	99,860	969
Total Ireland		5,423
ITALY		
Buzzi	54,878	2,145
De' Longhi	49,191	1,135
Intercos	77,906	878
Reply	6,415	854
Total Italy		5,012
NETHERLANDS		
ASM International	2,352	847
BE Semiconductor Industries	9,292	745
CTP	66,211	923
IMCD Group	15,659	1,557
Total Netherlands		4,072

		30 April 2025
		Value
Quoted investments	Holding	£'000s
NORWAY		
Storebrand	395,114	3,543
Tomra Systems	98,775	1,159
Total Norway		4,702
SPAIN		
Fluidra	69,778	1,206
Vidrala	42,408	3,454
Viscofan	41,152	2,227
Total Spain		6,887
SWEDEN		
Avanza Bank Holdings	121,008	3,003
Engcon	117,315	850
Karnov Group	401,194	2,812
Nordnet	139,152	2,739
The Thule Group	38,974	669
Total Sweden		10,073
SWITZERLAND		
Accelleron Industries	44,152	1,776
Belimo	1,728	1,097
Galencia	11,013	866
Inficon Holding	10,087	800
Kardex Holding	10,337	1,935
Siegfried Holding	21,150	1,888
SIG Group	112,513	1,629
Total Switzerland		9,991
TOTAL EUROPE		**77,769**
NORTH AMERICA		
CANADA		
WSP Global	82,916	10,931
Wheaton Precious Metals	264,001	16,506
Total Canada		27,437
UNITED STATES		
Advanced Energy Industries	45,630	3,327
Amdocs	130,037	8,615
Ashland	49,338	2,008
Avnet	198,046	6,960
Boot Barn Holdings	101,139	7,890
Bristow	324,381	7,038

Quoted investments	Holding	30 April 2025 Value £'000s
Brown & Brown	163,062	13,498
CACI	10,803	3,700
CCC Intelligent Holdings	568,710	3,943
CDW	51,363	6,170
Curtiss-Wright	48,663	12,552
Eagle Materials	77,836	13,185
Encompass Health	148,030	12,972
Essential Properties Realty	358,333	8,620
FB Financial	128,936	4,105
Frontdoor	137,772	4,233
Genpact	252,537	9,495
GrafTech International	2,185,348	1,033
Grand Canyon Education	49,296	6,575
Graphic Packaging	611,486	11,569
GXO Logistics	171,126	4,640
Hayward Holdings	604,165	6,029
Healthcare Realty Trust	563,497	6,543
Jefferies Financial	158,384	5,538
Jones Lang Lasalle	31,796	5,406
Kirby	170,230	12,264
Kosmos Energy	1,389,696	1,581
LKQ Corp	310,973	8,894
Martin Marietta Materials	28,459	11,148
MaxLinear	366,385	2,732
Molina Healthcare	25,154	6,153
MSC Industrial Direct	88,157	5,045
Nomad Foods	396,853	5,936
Parsons	66,979	3,351
Plymounth Industrial REIT	423,753	4,714
PRA	300,374	4,113
Prosperity Bancshares	140,406	7,131
Quidelortho	65,738	1,368
SharkNinja	66,460	4,001
Skechers	93,772	3,368
Spectrum Brands	110,159	5,202
Standex International	41,528	4,390
The Ensign Group	123,570	11,921
U.S. Physical Therapy	78,942	4,203
United Bankshares	280,853	7,206
Vail Resorts	22,378	2,329

Quoted investments	Holding	30 April 2025 Value £'000s
Vitesse Energy	299,842	4,588
Webster Financial	184,765	6,530
WEX	57,864	5,657
Total United States		309,469
TOTAL NORTH AMERICA		336,906
JAPAN		
Amada	415,000	3,104
Amano	171,000	3,734
ANYCOLOR	88,300	1,710
Azbil	225,700	1,458
Daiwabo Holdings	187,300	2,368
Fujikura Composites	75,500	524
Gunma Bank	278,500	1,728
IHI	51,800	3,030
Kakaku	104,000	1,380
Kinden	177,000	3,440
Kokuyo	296,600	4,554
Maeda Kosen	93,900	1,005
Mitsubishi Logistics	703,500	3,626
Morinaga & Co	275,400	3,679
Nichias	165,100	4,139
Nifco	80,700	1,492
Nippon TV	297,100	5,124
Nishi Nippon Financial Holdings	392,900	4,279
Niterra	201,200	4,678
Nomura Real Estate Holdings	1,167,400	5,188
NSD	201,200	3,545
Open House Group	105,800	3,506
PAL	122,500	2,553
Raito Kogyo	86,800	1,210
Sangetsu	70,400	1,069
Sankyo	378,500	4,311
Sanwa Holdings	174,200	4,281
SWCC	26,500	900
Toho Holdings	190,800	4,675
Tosei	258,500	3,244
WingArc1st	135,600	2,690
TOTAL JAPAN		92,224
REST OF WORLD		
Pinebridge Asia ex Japan Small Cap Fund	49,809	28,625

Quoted investments	Holding	30 April 2025 Value £'000s
Schroder ISF Global Emerging Markets Smaller Companies Fund	215,140	30,497
The Scottish Oriental Smaller Companies Trust	12,092,930	34,828
Utilico Emerging Markets Trust	10,101,596	21,920
TOTAL REST OF WORLD		115,870
TOTAL INVESTMENTS		774,733

The number of investments in the portfolio is 196 (2024:213).

Ten Year Record (unaudited)

All Company data are based on assets, liabilities, earnings and expenses as reported in accordance with the Company's accounting policies and are unaudited but derived from the audited Financial Statements or specified third-party data providers.

Assets
at 30 April

£'000s	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net assets (before debt)	555,092	591,602	767,979	872,704	904,220	761,515	1,051,029	1,000,086	911,462	921,525	**787,865**
Loans	–	–	–	24,000	34,052	35,000	43,521	54,782	52,027	51,463	**51,050**
Convertible Unsecured Loan Stock	38,129	38,410	34,697	21,873	15,549	–	–	–	–	–	**–**
Net assets	516,963	553,192	733,282	826,831	854,619	726,515	1,007,508	945,304	859,435	870,062	**736,815**

NAV per share(i)
at 30 April

pence	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NAV with debt at par per share (i)	97.3	99.8	128.3	138.4	141.7	120.3	175.0	172.0	163.7	175.9	**164.7**
NAV with debt at fair value per share	n/a	n/a	n/a	n/a	n/a	119.7	174.9	172.8	165.7	178.1	**167.1**
NAV (diluted) per share (i)	97.0	99.5	126.4	136.9	140.6	n/a	n/a	n/a	n/a	n/a	**n/a**
NAV total return % – 5 years											**48.7**
NAV total return % – 10 years											**93.3**

Share Price
at 30 April

pence	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mid-market price per share (i)	98.0	100.1	127.3	137.5	134.6	111.0	168.6	156.2	144.6	160.2	**148.6**
Share price high (i)	102.5	102.4	129.9	141.5	149.5	150.0	168.6	177.0	162.2	160.8	**171.6**
Share price low (i)	78.5	85.9	94.7	126.5	122.0	78.8	104.2	142.6	122.4	129.0	**136.6**
Share price total return % – 5 years											**43.9**
Share price total return % – 10 years											**71.8**

Revenue return after tax
for the year ended 30 April

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Available for ordinary shares – £'000s	5,659	6,452	7,839	9,448	10,623	10,493	7,416	10,241	12,620	14,560	**13,343**
Return per share (i) (iii)	1.09p*	1.18p*	1.38p*	1.59p*	1.76p*	1.73p	1.26p	1.82p	2.34p	2.84p	**2.84p**
Dividends per share (i)	0.965p	1.070p	1.225p	1.440p	1.650p	1.700p	1.750p	1.840p	2.300p	2.810p	**3.000p(ii)**

* diluted
(i) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.
(ii) Subject to approval of the final dividend of 2.30p at the 2025 AGM.
(iii) Calculated based on the weighted average number of shares in issue during the year.

Performance

(rebased to 100 at 30 April 2015)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NAV per share	100	102.6*	130.3*	141.1*	144.9*	123.4**	180.3**	178.1**	170.8**	183.6**	**172.3****
Mid-market price per share	100	102.1	129.9	140.3	137.3	113.3	172.0	159.4	147.6	163.5	**151.6**
Revenue return per share	100	108.3	126.6	145.9	161.5	158.7	115.6	167.0	214.7	260.6	**260.6**
Dividends per share	100	110.9	126.9	149.2	171.0	176.2	181.3	190.7	238.3	291.2	**310.9**[1]
RPI	100	101.3	104.9	108.4	111.7	113.4	116.7	129.7	144.5	149.2	**155.9**

* diluted
** NAV with debt at fair value
[1] Subject to approval of the final dividend of 2.30p at the 2025 AGM.

Costs of running the Company (ongoing charges/TER)

for the year ended 30 April

Expressed as a percentage of average net assets	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ongoing charges											
excluding performance fees	0.79%	0.85%	0.84%	0.83%	0.79%	0.75%	0.78%	0.75%	0.79%	0.78%	**0.74%**
including performance fees	1.08%	0.85%	0.86%	0.83%	0.79%	0.75%	0.78%	0.75%	0.79%	0.80%	**0.74%**
Total expense ratio											
excluding performance fees	0.53%	0.51%	0.62%	0.60%	0.59%	0.59%	0.58%	0.58%	0.60%	0.61%	**0.62%**
including performance fees	0.74%	0.76%	0.62%	0.60%	0.59%	0.59%	0.58%	0.58%	0.60%	0.61%	**0.62%**

Gearing

at 30 April	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Effective gearing	4.8%	4.7%	3.4%	5.1%	4.6%	(0.6%)	3.8%	4.6%	5.2%	4.7%	**5.3%**
Fully invested gearing	7.4%	6.9%	4.7%	5.6%	5.8%	4.8%	4.3%	5.8%	6.1%	5.9%	**6.9%**

Note: definitions of Alternative Performance Measures and a Glossary of Terms are provided on pages 105 to 110.

Purpose, Strategy and Business Model

Purpose, Values and Culture

Our purpose is to provide an investment vehicle which meets the needs of investors, whether large or small, who seek long-term investment returns from global smaller companies in an accessible, cost effective way. Our investment objective is to invest in smaller companies worldwide in order to secure a high total return.

To ensure that the Company's purpose, values, strategy and culture are aligned, the Board comprises Directors with a breadth of relevant skills and experience acting with professional integrity who contribute in an open boardroom culture that both supports and challenges the Manager and its other third party suppliers.

Investment and Business Strategy

Our investment strategy is designed to produce outperformance of the Benchmark and increases in dividends over the longer term. Our appointed manager, Columbia Threadneedle Investment Business Limited (the **'Manager'**) selects well-managed publicly listed smaller companies with growth potential and, at initiation, market capitalisations that are equal to or lower than the market capitalisation of the largest regional small cap benchmark constituent according to the latest available benchmark data. Existing holdings can still be held and added to after they exceed this level, however within each regional portfolio, our current guideline to the Manager for the total percentage weight by value of companies with a market capitalisation above this level is capped at 30% of the value of that regional portfolio.

Business Model

The Directors have a duty to promote the success of the Company. As an investment company with no employees, we believe that the best way to do this and to achieve our objective is to have an effective and strong working relationship with the Manager. Within policies set and overseen by the Board of Directors, our Manager has been given overall responsibility for the management of the Company's assets, including asset allocation, gearing, stock and sector selection as well as risk management. The Board remains responsible for the matters listed on page 57.

Our Manager's focus is on individual company opportunities. Exposure to the different geographic markets is adjusted within specific ranges in light of the attraction of local valuations and the outlook for currencies, but stock selection is generally the main driver of the Company's overall returns. Further information regarding the Manager's Investment Philosophy and Process are outlined on pages 2 to 7 and a full list of investments appears on pages 30 to 33.

Furthermore, as a listed closed-end investment company we are not constrained by asset sales to meet redemptions and therefore the Company is particularly well suited to long-term investment in smaller, less liquid companies. Our share capital structure gives us the flexibility to take a longer term view and stay invested while taking advantage of volatile market conditions. Having the ability to borrow to invest gives us a significant advantage over a number of other investment fund structures.

Alignment of Values and Culture

It is important that the values, expectations and aspirations of those charged with managing the assets align with those of our own. The Board considered the Manager's culture and shared values as part of the annual assessment of its performance and in determining whether its re-appointment is in the interests of shareholders. As a founder signatory to the United Nations Principles for Responsible Investment (**'UNPRI'**), Columbia Threadneedle Investments continues to perform well in the 2024 UNPRI assessment and compared to peers for key areas of its responsible investment approach and active ownership in listed equities. The Manager has a culture of diversity, collaboration and inclusion, anchored by shared values in keeping with the Board's own expectations and beliefs.

Responsible Investment

The direct impact of the Company's activities on the community or environment is minimal as it has no employees, premises, physical assets or operations, either as a producer or a provider of goods or services, while its shareholders are effectively its customers. Consequently, it does not directly generate any greenhouse gas or other emissions or pollution. The Company's indirect impact occurs through the investments that it makes and this is mitigated by the Manager's Responsible Investment approach as explained on pages 24 to 27.

Overview
Chairman's Statement
Strategic Report
Governance Report
Auditor's Report
Financial Report
Notice of Meeting
Other Information

Manager Evaluation

Investment performance and responsible ownership are fundamental to delivering the investment objective for our shareholders and, therefore, an important responsibility of the Directors is exercising a robust annual evaluation of our Manager's performance capabilities and resources. This is an essential element in the mitigation of risk, as outlined under Principal and Emerging Risks on page 40, and the strong governance that is carried out by the Board of Directors, all of whom are independent and non-executive.

The process for the evaluation of our Manager for the year under review and the basis on which the re-appointment decision was made are set out on page 52. The management fee is based on the value of the Company's net assets, thus aligning the Manager's interests with those of shareholders.

Managing Risks and Opportunities

We seek to make good use of our corporate structure and the investment opportunities that produce a high total return for our shareholders over the longer term. Like all businesses, these opportunities do not come without risks and so the performance of our Manager is monitored at each Board meeting on a number of levels. In addition to managing the investments, the ancillary functions of administration, company secretarial, accounting and marketing services are all carried out by the Manager. It reports on the investment portfolio; the wider portfolio structure; risks; compliance with borrowing covenants; income, dividend and expense forecasts; errors; internal control procedures; marketing; shareholder and other stakeholder issues, including the Company's share price discount or premium to NAV; and accounting and regulatory updates.

Shareholders can assess the Company's financial performance from the Key Performance Indicators that are set out on page 42 and, on page 40, see what the Directors consider to be the Principal and Emerging Risks that it faces. The risk of not achieving the Company's objective of delivering a high total return for our shareholders over the longer term, or of consistently under-performing its Benchmark or competitors, may arise from any or all of poor stock selection, inappropriate asset allocation, weak market conditions, badly timed use of gearing, poor cost control, loss of assets and service provider governance issues.

In addition to monitoring our Manager's performance, capabilities, available resources and its systems and controls, the Directors also review the services provided by other principal suppliers. These include the Custodian and Depositary in their duties towards the safeguarding of the assets.

The principal policies that support our investment and business strategy are set out on pages 43 to 45, whilst the Lead Manager's Review of activity in the year can be found on page 14. In the light of the Company's strategy, investment processes and control environment (relating to both the oversight of its service providers and the effectiveness of the risk mitigation activities), we have set out on page 41 our reasonable expectation that the Company will continue in operation for at least the next five years.

Lead Manager and the Management of the Assets

With effect from 1 May 2024, Nish Patel has been the Lead Manager on behalf of our Manager, responsible for the allocation of the assets on a regional basis and for the construction of the investment portfolio including the selection of any smaller company investment funds utilised. Nish Patel had worked closely with Peter Ewins, the previous Lead Manager, for a long period of time, managing assets for the Company for more than 15 years. Our Manager has a team of smaller company investment managers that support the Lead Manager in the selection of stocks for the North American, UK, European and Japanese stock markets. The Lead Manager is also assisted by other colleagues within the management company in relation to the selection of managed funds used to gain exposure to other global markets.

Marketing

With a large proportion of our shareholders being retail investors and savings or execution-only platforms representing a significant and growing element of our shareholder base, we remain focused on the optimal communication of the Company's investment proposition. This year, we have continued to work with the Manager to enhance the public profile of the Company across different media channels. This has included a PR campaign with an external consultancy firm, greater use of video content on the Company's website, alongside several podcasts and webinars. The use of webinars in particular allows direct interaction with engaged retail investors and the Investor Meets Company platform was again used in the year for this purpose. Columbia Threadneedle Investments has continued to actively market its range of investment trusts during the year and the Manager has also been on a number of regional roadshows to meet wealth managers, both existing and potential new holders.

Key Stakeholders

The Company fosters good working relationships with its key stakeholders, such as the Manager, shareholders and other key service providers, including the Custodian, Depositary and Registrar. Our lenders are also important stakeholders whom we keep informed through our monthly covenant compliance reporting in the first instance. None of the financial covenants has been threatened and we had no issues over liquidity or cause to engage with the lenders in this regard during the year.

Whilst we hold our Manager to account for the management of our assets, we also recognise that relationship as being fundamental from a stakeholder perspective and as a working partnership in forming and developing our strategy. Our own engagement with our Manager is continuous, particularly through our regular Board meetings and, not least, the annual meeting that we dedicate to the review of strategic matters. The debate at our strategy meeting in February included a review of the areas critical to the future success of the Company including investment strategy and marketing. The relationships that our Manager has with the companies in which we invest are of key importance and we outline our approach on pages 2 to 7.

Albeit not in the traditional sense, we see our shareholders as clients who we hope will stay with us and reap the benefits of investing over the longer term. Many of our underlying shareholders are young and hold their shares through their parents in the Manager's savings plans and the Child Trust Fund and Junior ISA accounts. The Child Trust Funds have now begun to mature, meaning that, as each child turns 18, they have full control over their holdings. As these accounts reach maturity, our focus is on keeping as many of these young investors with us as possible. The Manager writes to parents ahead of their account maturity dates explaining the options and opportunities available to them. Once 18, the young investor receives communications on options available to them, and then quarterly, reminded with their valuation statement.

With regard to our shareholders more generally, we engage by reporting our activities and performance through the publication of our half-year and annual reports. Most shareholders and savings plan investors prefer not to receive such detailed information. To avoid them losing this essential line of communication, we instead make available a short notification summary covering the main highlights of our half-year and annual results. Shareholders and savings plan investors can access the full information on our website as shown on page 1. Through our Manager, we also ensure that savings plan investors are able to participate at shareholder meetings in addition to those members who hold their shares directly on the main shareholder register. Details of the proxy voting results on each resolution are published on the Company's website where there is also a link to the daily publication of our NAV and our monthly factsheet.

The Manager seeks to foster good relations with wealth managers and underlying investors in promoting the Company’s investment proposition and over the year a number of meetings, both virtual and in-person, were held with existing and prospective investors. These meetings are reported on regularly to the Board. The Chairman and Senior Independent Director are always available to meet with major shareholders.

Overview
Chairman's Statement
Strategic Report
Governance Report
Auditor's Report
Financial Report
Notice of Meeting
Other Information

Promoting Success

Section 172 Statement

Section 172(1) of the Companies Act 2006 (**'Section 172'**) requires that a Director must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and, in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long-term; the interests of the Company's shareholders; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

The Directors have continued to act to promote the success of the Company for the benefit of its shareholders as a whole and in so doing, they have had regard to the matters set out in Section 172. This includes the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

As noted on page 36, we have no employees, premises, assets or operations. Details of our key stakeholders are noted on pages 37 and 38. Our main working relationship is with the Manager. Recognising that sustainability is fundamental to achieving longer term success, we have continued to work closely with our Manager to develop further our investment strategy and underlying policies. This is not simply to achieve the Company's investment objective but to make sure it is done in an effective, responsible and sustainable way in the interests of shareholders, future investors and society at large. The portfolio activities undertaken by our Manager and the impact of decisions taken are set out in the Lead Manager's Review on pages 14 to 23. On pages 24 to 27 we have again reported on our approach towards responsible investment. We are very supportive of the Manager's approach, which includes engagement with the management of investee companies and the consideration of financially material ESG factors.

We use gearing to enhance returns, but this will have a negative impact at times of market shocks. We maintained a moderate level of gearing throughout the year. At the end of the year we had drawn down €6.8m, ¥557.5m and $9.8m (in total, the equivalent of £16.1m) of our £35m multi-currency revolving credit facility. The blended rate on this facility and the £35m private placement notes 2039 is 2.7%, which leaves us well placed to enhance investment returns over the long term and build on our performance record.

One of our Key Performance Indicators is dividend growth. This year the total annual dividend will be up by 6.8% which extends our record to 55 years of consecutive annual increases.

We bought back 47.3m shares in the year at an average discount to NAV of 10.3%. We would only re-issue shares from treasury if the share price is at a premium to NAV. This policy is not only accretive to the NAV per share, it also helps moderate the absolute level and volatility of the discount or premium and provides liquidity in the shares.

As long-term investors we always look to the future and to the success of the Company in that context. We believe that the Company provides a clear investment choice, not only for investors large or small but also for those starting their investment journey. We continue to promote the Company through marketing and work towards the optimal delivery of the Company's investment proposition and to promote the success of the Company for the benefit of all shareholders, stakeholders and, through its valuable role as an investment vehicle, the community at large.

Principal and Emerging Risks

The Board has carried out a robust review and assessment of the Company's principal and emerging risks and the uncertainties that could threaten its future success. This includes near-term risks such as those posed by geopolitical uncertainty and longer-term risks, such as climate change. The consequences for the Company's strategy, business model, liquidity, future prospects and long term viability form an integral part of this review.

The Board's processes for monitoring the principal risks and identifying emerging risks are set out on page 60 and in note 23 to the financial statements. Any emerging risks that are identified and that are considered to be of significance are included on the Company's risk assessment together with any mitigations. These principal and emerging risks are reviewed regularly by the Audit and Management Engagement Committee and by the Board.

During the year, such risks included ongoing macroeconomic and geopolitical concerns and the impact on financial markets of US trade tariffs. The principal risks are largely unchanged from those reported in the prior year. Those identified as most relevant to the assessment of the Company's future prospects and viability were those relating to inappropriate business strategy, potential

Principal Risks	Mitigation by strategy
Service providers and systems security – Errors, fraud or control failures at service providers or loss of data through business continuity failure or cyber attacks could damage reputation or investors' interests or result in loss. Cyber risks remain heightened. **Unchanged throughout the year.**	The ancillary functions of administration, company secretarial, accounting and marketing services are all carried out by the Manager. Custody and depositary services are provided by third party suppliers. **The Board reviews and monitors the services provided and the effectiveness of service providers' processes through the review of internal controls reports and internal efficiency KPIs.**
Investment performance – Inappropriate business strategy or policy, or ineffective implementation, could result in poor returns for shareholders. Failure to access the targeted market or meet investor needs or expectations, including Responsible Investment and climate change in particular, leading to significant pressure on the share price. Political risk factors could also impact performance as could market shocks such as those experienced in relation to Covid-19 and US trade tariffs. **Increase in risk during the year.**	Under our Business Model, a manager is appointed with the capability and resources to manage the Company's assets, asset allocation, gearing, stock and sector selection and risk. The individual regional investment portfolios are managed to provide in combination a well-diversified, lower volatility and lower risk overall portfolio structure. The Board holds a separate strategy meeting each year and considers investment policy review reports from the Manager at each Board meeting. **The performance of the Company relative to its Benchmark, its peers and inflation is a KPI measured by the Board on an ongoing basis and is reported on page 42.**
Discount/premium – A significant share price discount or premium to the Company's NAV per share, or related volatility, could lead to high levels of uncertainty or speculation and the potential to reduce investor confidence. Increased uncertainty in markets due to an event such as Covid-19 could lead to falls and volatility in the Company's NAV. **Unchanged throughout the year but this risk has remained heightened.**	The Board has established share buy-back and share issue policies, together with a dividend policy, which aim to moderate the level and volatility of the share price discount or premium to the NAV per share and it seeks shareholder approval each year for the necessary powers to implement those policies. **The discount/premium to NAV at which the Company's shares trade is a KPI measured by the Board on an ongoing basis and is reported on page 42.**

investment portfolio under-performance and its effect on the Company's share price discount/premium and dividends, as well as threats to security over the Company's assets. Our risk evaluation forms an inherent part of our strategy determination described on page 37.

Through a series of stress tests ranging from moderate to extreme scenarios, including the impact of market shocks and based on historical information, but forward looking over the five years commencing 1 May 2025, the Board assessed the risks of:

- Sustained high levels of inflation.
- Potential illiquidity of the Company's portfolio.
- Substantial falls in investment values on the ability to meet loan covenant requirements and to repay and re-negotiate funding.
- Significant falls in income on the ability to continue paying steadily-rising dividends and maintaining adequate revenue reserves.

The Board also took into consideration the operational robustness of its principal service providers and the effectiveness of business continuity plans in place, potential effects of regulatory changes and the potential threat from competition. The Board's conclusions are set out under 'Long-Term Viability: Five Year Horizon'.

Actions taken on Principal Risks in the year

The Audit and Management Engagement Committee and the Board have regularly reviewed the Company's risk management framework with the assistance of the Manager. Regular control reports are provided by the Manager which cover risk, compliance and oversight of its own third-party service providers, including IT security and cyber-threats. Reports from the Depositary, which is liable for the loss of any of the Company's securities and cash held in custody unless resulting from an external event beyond its reasonable control, were reviewed. The Board is satisfied that the continuity arrangements of all key suppliers continued to work well and as such, this risk is unchanged.

Columbia Threadneedle Investments has been retained as Manager and continues to deliver on the Company's objective over the medium and long term, notwithstanding the more difficult investment environment over the past year. At each meeting of the Board, the Directors consider and discuss the Company's investment performance with Nish Patel, the Lead Manager, and also meet with the Managers of the regional portfolios during the year. Marketing and investor relations campaigns continued throughout the year, including presentations by the Lead Manager to wealth managers, private clients and institutions across the country. Detailed reports provided by the Lead Manager have been reviewed by the Board at each of its meetings. Continuing income generation from the investment portfolio over the year and the healthy level of distributable reserves has resulted in the dividend for the year increasing by 6.8%. In overall terms, this risk is considered increased.

Despite actively buying in shares on a regular, ongoing basis in order to address the imbalance between the supply and demand of the Company's shares, the discount has remained wider than desired. During the course of the year, the Manager has continued to increase marketing activity over a number of channels and has enhanced the messaging around the core investment proposition. This activity aims to stimulate demand for the Company's shares from existing and new investors. Given the continued higher prevailing discount level the risk is considered to have remained heightened during the year.

Long-Term Viability: Five Year Horizon

Based on its assessment and evaluation of the Company's future prospects, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the coming five years. This period has been chosen because it is consistent with the advice provided by many investment advisers, that investors should invest in equities for a minimum of five years. The Company's business model, strategy and the embedded characteristics listed below have helped define and maintain the stability of the Company over many decades. The Board expects this to continue and will continue to assess viability over subsequent five year rolling periods.

- The Company has a long-term investment strategy under which it invests mainly in readily realisable, publicly listed securities and which restricts the level of borrowings.
- The Company's business model and strategy are not time limited and, as a global investment trust company, are unlikely to be adversely impacted as a direct result of political uncertainties.
- The Company is inherently structured for long-term outperformance, rather than short-term opportunities, with five years considered as a sensible time-frame for measuring and assessing long-term investment performance.
- The Company is able to take advantage of its closed-end investment trust structure, such as having borrowing arrangements in place and the ability to secure additional finance in excess of five years.
- There is rigid monitoring of the headroom under the Company's bank borrowing financial covenants.
- Regular and robust review of revenue and expenditure forecasts is undertaken throughout the year against a backdrop of large revenue and capital reserves.
- The Company retains title to all assets held by the Custodian which are subject to further safeguards imposed on the Depositary.

Key Performance Indicators

The Board uses a number of performance measures to assess its performance in meeting the Company's objective of securing a high total return. This is driven by NAV and share price performance, the Premium/Discount to NAV, Ongoing Charges and Dividend Growth, as well as regional performance against local benchmarks set out on page 15. Detailed commentary on these measures can be found in the Chairman's Statement and Lead Manager's Review. The key performance indicators are set out below.

Performance: Total return[1]

	1 Year %	3 Years %	5 Years %	The Board's policy is to secure a high total return
NAV total return	(4.8)	0.7	48.7	This measures the Company's NAV and share price total returns, which assume dividends paid by the Company have been reinvested, relative to the Company's Benchmark.
Benchmark[2] total return	(0.8)	8.1	61.4	
Share price total return	(5.6)	(0.2)	43.9	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

Premium/(discount)[1] (including current period income)

At 30 April	%	The Board's premium/discount policies are to moderate the level of share price premium/discount and related volatility
2025	(11.0)	This is a measure of the divergence between the share price and the NAV per share. The Company issues shares whilst the share price is at a premium and buys back shares when it is at a discount, in the latter case with the aim that it does not exceed 5% in normal market conditions.
2024	(10.0)	
2023	(12.7)	
2022	(9.6)	
2021	(3.6)	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

Ongoing charges[1] (as a percentage of average net assets)

At 30 April	% (excluding performance fees of underlying funds)	% (including performance fees of underlying funds)	The Board's policy is to control the costs of running the Company
2025	0.74	0.74	This measures the running costs of the Company (including where applicable the performance fees incurred in underlying funds) as a percentage of the average net assets.
2024	0.78	0.80	
2023	0.79	0.79	
2022	0.75	0.75	
2021	0.78	0.78	

Source: Columbia Threadneedle Investments

Dividend growth

	1 Year %	3 Years %	5 Years %	The Board aims to continue its progressive dividend policy
Dividends	6.8	63.0	76.5	This compares the Company's dividend growth rate to the rate of inflation.
Retail Prices Index	4.5	20.2	37.5	

Source: Columbia Threadneedle Investments and Refinitiv Eikon

(1) See Alternative Performance Measures on pages 105 to 107
(2) See Glossary of terms on page 108 for explanation of Benchmark

Principal Policies

The Board has overall responsibility for the Company's principal policies, which support its investment and business strategies in securing a high total return for our shareholders.

Investment

Our publicly stated Investment Policy is designed to help shareholders, prospective investors and stakeholders understand the scope of our investment remit and constraints imposed under it. Any material change to the investment policy of the Company can only be made with the prior approval of shareholders by way of an ordinary resolution at a general meeting.

Our remit is global. Risk diversification is achieved through geographic asset allocation and industry sector and stock selection across a wide range of markets. Within the general policy of maintaining a diversified portfolio, there are no specific geographic or industry sector exposure limits for the publicly listed equities.

The Board, with advice from the Manager, considers the foreign exchange outlook, as this can affect both the asset allocation and borrowing strategy, and can hedge the portfolio against currency movements. No such hedging has been undertaken in the year under review.

At every Board meeting, the Lead Manager reports on portfolio activity and investment performance and confirms adherence to the investment restrictions and limitations set by the Board. The Lead Manager's Review on pages 14 to 23 provides an overview of the outcome from the application of the Investment Policy and the underlying policies during the course of the year under review.

Investment Objective

The Company's investment objective is to invest in smaller companies worldwide in order to secure a high total return.

Investment Policy

The Company pursues this investment objective by investing in a large number of stocks in various industry sectors and geographic locations. There are no specific sector or geographical exposure limits. Whilst the Company has a global orientation, its objective is to find attractively valued investment opportunities wherever they may be and it is therefore not constrained to mandatory weightings per geographic region.

The Company invests mainly in quoted equities, including those quoted on the Alternative Investment Market. It is able to invest in other types of securities or assets, including collective funds. Investments in unquoted securities can be made with the prior approval of the Board. No transaction can be made which would result in a holding of the Company exceeding 10% of the value of the total portfolio. Derivative instruments, such as futures, options, and warrants, can be used for efficient portfolio management up to a maximum of 10% of the NAV at any one time.

The Company can borrow in either sterling or foreign currencies. Effective gearing is limited, in normal circumstances, to a maximum of 20% of shareholders' funds. The Company's portfolio can also be hedged for currency movements.

Under the Financial Conduct Authority's UK Listing Rules, no more than 10% of the Company's total assets may be invested in other listed closed-ended investment companies, unless such investment companies have themselves published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies, in which case the limit is 15%.

Borrowing

The Company has the flexibility to borrow over the longer term and to use short-term borrowings by way of loans. Borrowings, which can be taken out in either sterling or foreign currency, would normally be expected to fall within a range of 0-20% of shareholders' funds. In normal circumstances, the Board believes that structural gearing through the investment cycle is appropriate for the enhancement of shareholder returns. Borrowing levels and covenant headroom are monitored on an ongoing basis and reported on at each Board meeting.

The Company has issued £35 million senior unsecured loan notes at a fixed rate of 2.26% which are repayable in August 2039 and also has a £35 million multicurrency revolving credit facility with The Royal Bank of Scotland International Limited available until 13 September 2025. These are described in more detail in notes 12 and 14 to the financial statements.

Dividend

Our revenue account is managed with a view to delivering a rising income stream in real terms for shareholders. Prudent use of revenue reserves established over many decades is made whenever necessary to help meet any revenue shortfall.

The Board applies due diligence and determines dividend payments by taking account of income forecasts, brought forward distributable reserves, prevailing inflation rates, the Company's dividend payment record and Corporation Tax rules governing investment trust status. Risks to the Company's dividend policy have been considered as part of the Principal and Emerging Risks reviews noted on page 40. The consistent application of this policy has enabled the payment of an increased dividend every year for the past 55 years.

Discount/Premium

The Board operates a share buy-back policy under an authority given by shareholders. Under this policy the Company buys back shares for the benefit of shareholders when it sees value and, importantly, with a view to moderating discount volatility and to keeping the discount at no more than 5%, in normal market conditions. Shares are bought back at a discount to the NAV per share and are either cancelled or held in treasury, the effect of which is an accretion to the NAV per share. The levels within which the policy operates are kept under review.

Shareholders have also authorised the Board to issue shares when they are trading at a premium to the NAV per share, with a view to moderating the premium and any associated volatility. As with share buy-backs, such issues are only made when accretive to the NAV.

Board Diversity and Inclusion

Our policy towards the appointment of non-executive directors to the Board is based on its belief in the benefits of having a diverse range of experience, skills, length of service and backgrounds, including gender and contributions from an international perspective. The Board is conscious of the diversity targets set out in the FCA UK Listing Rules and the Board complies with the AIC Code of Corporate Governance in appointing appropriately diverse, independent non-executive Directors who set the operational and moral standards of the Company. The policy is always to appoint the best person for the role and, by way of this policy statement, we confirm that there is no discrimination on the grounds of gender, race, ethnicity, religion, sexual orientation, age, physical ability, educational, professional or socio-economic background. The Board is committed to maintaining the highest levels of corporate governance in terms of independence and would normally expect the Directors to serve for a nine-year term, although this may be adjusted for reasons of flexibility and continuity. As each of the Audit and Management Engagement Committee and Nomination Committee comprise all of the Directors, the diversity policy applied to the Board generally applies equally to each of the Company's Committees.

The overriding aim of the policy is to ensure that the Board is composed of the best combination of people to deliver the Company's objective. We apply the policy for the purpose of appointing individuals that, together as a Board, will continue to achieve that aim as well as ensuring optimal promotion of the Company's investment proposition in the marketplace.

In accordance with UK Listing Rule 6.6.6R (9), (10) and (11) the Board is required to disclose on a 'comply or explain' basis whether it has met the following targets: (i) at least 40 per cent. of the Board should be women; (ii) at least one of the senior board positions should be held by a woman; and (iii) at least one member of the Board should be from a minority ethnic background. The Board has provided the information set out in the following tables in relation to diversity; the data for which has been obtained through the completion of questionnaires by the individual Directors. As is shown, the Company has met the targets.

Board Gender as at 30 April 2025(1)

	Number of board members	Percentage of board members	Number of senior positions on the Board(3)
Men	3	50%	1
Women	3	50%(2)	1(4)
Not Specified /Prefer not to say	–	–	–

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust which does not have the roles of CEO or CFO.
(2) This meets the UK Listing Rules target of 40%.
(3) The senior positions on the Board consist of the Chairman and the Senior Independent Director.
(4) This meets the UK Listing Rules target of at least one of the senior positions on the Board being held by a woman.

Board Ethnic Background as at 30 April 2025(1)

	Number of board members	Percentage of board members	Number of senior positions on the Board(3)
White British or other White (including minority white groups)	4	66.6%	2
Mixed/Multiple Ethnic Groups	1	16.7%(2)	–
Asian/Asian British	1	16.7%(2)	–
Black/African/Caribbean/Black British	–	–	–
Other ethnic group	–	–	–
Not Specified/Prefer not to say	–	–	–

(1) The Company has opted not to disclose against the number of Directors in executive management as this is not applicable for an investment trust which does not have the roles of CEO or CFO.
(2) This meets the UK Listing Rules target that at least one board member should be from a minority ethnic background.
(3) The senior positions on the Board consist of the Chairman and the Senior Independent Director.

Taxation

As an investment trust company, it is essential that the Company retains its tax status by complying at all times with Section 1158 of the Corporation Tax Act 2010 (**'Section 1158'**) such that UK Corporation Tax is not suffered on its capital gains. It also ensures that correct taxation returns are submitted annually and any taxation due is settled promptly. Where possible, all taxes suffered in excess of taxation treaty rates on non-UK dividend receipts are claimed back in a timely manner. The Board's policy towards taxation is one of full commitment to complying with applicable legislation and statutory guidelines. In applying due diligence towards the retention of Section 1158 status and adhering to its tax policies, the Board receives regular reports from the Manager. The Company has received approval from HMRC as an investment trust under Section 1158 and has since continued to comply with the eligibility conditions.

Modern Slavery Act 2015

As an investment company with no employees or customers and which does not provide goods or services in the normal course of business, the Company considers that it does not fall within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a human trafficking statement. Our own supply chain consists predominately of professional advisers and service providers in the financial services industry, which is highly regulated. We therefore believe that the potential for acts of modern slavery or human trafficking in our own working environment is extremely low.

The values we hold, our culture and the rationale for the appointment of our Manager are explained on page 36. The Manager is an organisation committed to respecting human rights and stands against all forms of slavery and human trafficking. A statement by the Manager under the Act has been published on its website columbiathreadneedle.co.uk. In the year under review, 14.2% of engagements with the companies in the Company's portfolio raised social themes, including human rights and labour standards.

Integrity and Business Ethics

We apply a strict anti-bribery and anti-corruption policy insofar as it applies to the Directors of the Company and employees of any organisation with which we conduct business, including the Manager. The Board ensures that adequate procedures are in place and followed in respect of third-party appointments, acceptance of gifts and hospitality and similar matters.

On behalf of the Board
Anja Balfour
Chairman
30 June 2025

Directors

The Board of Directors comprise left to right: Graham Oldroyd, Bulbul Barrett, Nick Bannerman, Zoe King, Anja Balfour and Randeep Grewal

Anja Balfour

Chairman of the Board and Nomination Committee

Appointed to the Board on 1 June 2015 and as Chairman on 30 July 2020.

Experience and contribution: Anja brings in-depth investment knowledge, expertise and experience in international investment management as well as leadership skills, most notably from her other non-executive director and chairmanship roles. Previously she spent over 20 years as a fund manager, running Japanese and International Equity portfolios for Stewart Ivory, Baillie Gifford and latterly, Axa Framlington and was formerly chair of Schroder Japan Trust plc until December 2022.

Other appointments: Anja is a non-executive director of AVI Global Trust PLC and a non-executive Director of Scottish Friendly Assurance, where she chairs the Investment Committee.

Graham Oldroyd

Senior Independent Director

Appointed to the Board on 1 October 2019 and as Senior Independent Director on 13 August 2024.

Experience and contribution: Graham brings to the Board in-depth investment knowledge, expertise and experience in international investment management from his present and past positions as a director of listed and unlisted European businesses across multiple sectors and geographies.

Other appointments: Graham is non-executive chairman of MCF Limited and he is a non-executive director of Tunstall Integrated Healthcare Holdings Limited, Videndum plc and Senior plc.

Nick Bannerman

Chairman of the Audit and Management Engagement Committee

Appointed to the Board on 1 October 2019 and as Chairman of the Audit and Management Engagement Committee on 13 August 2024.

Experience and contribution: Nick brings a combination of investment, operational and management experience as well as a wider business perspective from his past business roles across multiple geographies. He is a chartered accountant and has been on the boards of investment trusts since 2003.

Other appointments: Nick is a non-executive director of JPMorgan China Growth & Income plc and has been appointed as a non-executive director of Temple Bar Investment Trust Plc with effect from 1 July 2025.

Bulbul Barrett

Appointed to the Board on 1 December 2023.

Experience and contribution: Bulbul was previously Head of the Equities Product Group at DBS Bank Ltd London Branch and has over 30 years' experience with corporates and investment managers, having formerly been Head of Sales, MD Asian Equities at HSBC, Executive Director, Asian Equities at Goldman Sachs, Director of Asian Equities at UBS and Associate Director, Asian Equities at WI Carr.

Other appointments: Bulbul is a non-executive director of The North American Income Trust PLC and a Governor of Bradford College.

Randeep Grewal

Appointed to the Board on 1 December 2023.

Experience and contribution: Randeep has extensive experience as a fund manager and analyst, having held the roles of Portfolio Manager at Trium Multi-Strategy Hedge Fund, Senior Portfolio Manager at F&C Asset Management, Analyst at ICAP Equities and Senior Analyst and Portfolio Manager at Tudor Capital. Prior to the above, Randeep was an NHS Doctor, having trained as a vascular surgeon. Randeep was Chairman of Bellevue Healthcare Trust PLC until April 2025.

Other appointments: Randeep is a non-executive director of The Monks Investment Trust PLC and Hox Therapeutics Limited.

Zoe King

Appointed to the Board on 12 December 2024.

Experience and contribution: Zoe is a an experienced investment professional and a director of Evelyn Partners Investment Management Limited, where she has specialised in the management of private client portfolios for over twenty years. Zoe was formerly at Merrill Lynch Mercury Asset Management, bringing an institutional approach to the management of private individuals' capital and began her career in fund management at Foreign & Colonial Investment Management, specialising in the management of institutional portfolios. Zoe graduated from Oxford University in 1994. Zoe was a non-executive director of Henderson High Income Trust PLC until May 2025.

Other appointments: Zoe is a director of Evelyn Partners Investment Management Limited and a member of the Trinity College, Oxford Investment Committee, the Carvetian Capital Fund Investment Committee and the Stramongate S.A. Shareholder Advisory Committee.

All the Directors are members of the Audit and Management Engagement Committee and the Nomination Committee. No Director has a shared directorship elsewhere with other members of the Board.

Directors' Report

The Directors submit the Annual Report and Financial Statements of the Company for the year ended 30 April 2025. Applying the principles of the AIC Code, the Chairman's Statement on corporate governance, the Directors' biographies, the Reports of the Nomination Committee and Audit and Management Engagement Committee and the Directors' Remuneration Report all form part of this Directors' Report.

Statement Regarding the Annual Report and Financial Statements

The Directors consider that, following a detailed review and advice from the Audit and Management Engagement Committee, the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Audit and Management Engagement Committee has reviewed the draft Annual Report and Financial Statements for the purposes of this assessment. The market outlook for the Company can be found on pages 12, 13 and 23. Principal and emerging risks can be found on page 40 with further information on financial risks in note 23 to the financial statements. There are no instances where the Company is required to make disclosures in respect of UK Listing Rule 6.6.1R.

Results and Dividends

The results for the year are set out in the attached financial statements. Subject to shareholder approval at the Annual General Meeting (**'AGM'**) of resolution 4, the recommended final dividend of 2.30 pence per share is payable on 20 August 2025 to shareholders on the register as at the close of business on 11 July 2025. This, together with the interim dividend of 0.70 pence per share, makes a total dividend of 3.00 pence per share and represents an increase of 6.8% over the comparable 2.81 pence per share paid in respect of the previous year. See note 9 to the financial statements.

Company Status

The Company is registered as a public limited company and is an investment company as defined by Section 833 of the Act. The Company is registered in England and Wales with company registration number 28264 and is subject to the Financial Conduct Authority's (**'FCA'**) UK Listing Rules, Disclosure Guidance and Transparency Rules (**'DTRs'**) and other applicable legislation and regulations including company law, financial reporting standards, taxation law and its own articles of association. The Company's Articles of Association may only be amended by the passing of a special resolution at a general meeting of the Company.

Taxation

As set out on page 45 and in note 7 to the financial statements, the Company is exempt from UK Corporation Tax on its worldwide dividend income and from UK Corporation Tax on any capital gains arising from the portfolio of investments, provided it complies at all times with Section 1158. Dividends received from investee companies domiciled outside the UK are subject to taxation in those countries in accordance with relevant double taxation treaties.

UK Financial Sanctions and Prevention of the Facilitation of Tax Evasion

The Board is fully committed to complying with all legislation, regulation and relevant guidelines including those relating to the UK financial sanctions regime in the context of the Company's business and also the UK's Criminal Finance Act 2017, designed to prevent tax evasion in the jurisdictions in which the Company operates. Professional advice is sought as and when deemed necessary.

Greenhouse Gas Emissions and Taskforce for Climate-Related Financial Disclosures ('TCFD')

The Company is managed by a third party manager, it has no employees and all of its Directors are non-executive, with the day to day activities being carried out by third parties. The Company has no premises, consumes no electricity, gas or diesel fuel directly and consequently does not have a measurable carbon footprint. Therefore, it qualifies as a low energy user and is exempt from reporting under the Streamlined Energy & Carbon Reporting requirements.

In accordance with the regulations set by the Financial Conduct Authority, the Manager has published disclosure specific to the Company's portfolio. This provides data on the portfolio's carbon footprint and the largest individual contributors to the carbon footprint by individual issuer and sector, in addition to its weighted average carbon intensity (**'WACI'**). This is available on the Document Library page of the Company's website at globalsmallercompanies.co.uk.

Under UK Listing Rule 11.4.22(R), the Company, as a listed closed-end investment company, is exempt from complying with the TCFD.

Accounting and Going Concern

The financial statements, starting on page 75, comply with current UK Financial Reporting Standards, supplemented by the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (**'SORP'**). The significant accounting policies of the Company are set out in note 2 to the financial statements. The unqualified auditor's opinion on the financial statements appears on page 69. Shareholders will be asked to approve the adoption of the Report and Financial Statements at the AGM (**Resolution 1**).

The Directors believe that, in light of the controls and monitoring processes that are in place, the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Statement as to Disclosure of Information to the Auditor

Each of the Directors confirms that, to the best of their knowledge and belief, there is no information relevant to the preparation of the Annual Report and Financial Statements of which BDO LLP (**'BDO'** or the **'auditor'**) is unaware and they have taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that BDO is aware of that information.

Re-appointment of Auditor

BDO has indicated its willingness to continue in office as auditor to the Company and a resolution proposing its re-appointment and authorising the Audit and Management Engagement Committee to determine its remuneration for the ensuing year will be put to shareholders at the AGM (**Resolutions 10 and 11**). Further information in relation to its re-appointment can be found on page 62.

Capital Structure

Following a ten for one share split on 31 October 2019, each ordinary share of 25p was replaced with ten new ordinary shares of 2.5p each. As at 30 April 2025 there were 620,533,770 ordinary shares of 2.5p each (**'ordinary shares'**) in issue, of which 173,090,341 were held in treasury. As at 26 June 2025 (being the latest practicable date before publication of this report) the number of ordinary shares held in treasury was 176,589,429.

All ordinary shares rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of securities in the Company, no special rights with regard to control attached to securities, no agreements between holders of securities regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid. Details of the capital structure can be found in note 15 to the financial statements. The revenue profits of the Company (including accumulated revenue reserves), together with the realised capital profits of the Company, are available for distribution by way of dividends to the holders of the ordinary shares. Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to shareholders pro rata to their holdings of ordinary shares. Full details are set out in the Company's articles of association.

Issue and Buy-back of Shares

At the annual general meeting held on 13 August 2024, shareholders authorised the Board to issue new ordinary shares or to sell shares from treasury up to 10% of the number of shares then in issue. Shareholders also renewed the Board's authority to purchase up to 14.99% of its own issued ordinary shares (excluding any shares held in treasury) at a discount to NAV per share.

No shares were issued during the year under review or have been issued between 30 April 2025 and 26 June 2025, being the latest practicable date before the publication of this report. In accordance with the policy of aiming to keep the discount at no more than 5% in normal market conditions, a total of 47,254,387 shares with a nominal value of £1,181,359.68 were bought back by the Company during the year, to be held in treasury, at prices between 141.90 pence and 171.12 pence and at an average price of 163.23 pence for a total consideration, including stamp duty and commissions, of £77,132,000. The shares bought back represented 9.55% of the shares in issue (calculated exclusive of any shares held in treasury) at 30 April 2024. The share buy-backs in the year enhanced the NAV per share by approximately 1.71 pence. A further 3,499,088 shares have been bought back and placed into treasury since the year end.

Voting Rights and Proportional Voting

As at 26 June 2025 there were 620,533,770 ordinary shares listed, of which 176,589,429 shares were held in treasury. Therefore the total voting rights in the Company as at that date were 443,944,341.

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held.

Approximately 56% of the Company's share capital is held on behalf of non-discretionary clients through the Manager's Savings Plans. For those planholders who do not return their voting directions, the nominee company will vote their shares in proportion to the directions of those who do ('proportional voting'). Implementation of this arrangement is subject to a minimum threshold of 5% of the shares held in the savings plans being voted. A maximum limit of 622,000 shares that any one individual investor can vote, being approximately 5% of the minimum threshold, also applies. Any shares voted by an investor in excess of the maximum limit remain valid, but do not form part of the proportional voting basis. Planholders have the right to exclude their shares from the proportional voting arrangement.

Substantial Interests in the Company's Share Capital

As at 30 April 2025 and since that date no notifications of significant voting rights have been received under the FCA's Disclosure Guidance and Transparency Rules.

Borrowings

The Company has a one-year £35 million multi-currency revolving credit facility with The Royal Bank of Scotland International Limited. At the year-end, €6.8m, ¥557.5m and $9.8m (in total, the equivalent of £16.1m) were drawn down. The Company also has in issue £35 million fixed rate 20-year unsecured private placement notes at a coupon of 2.26% which mature in August 2039. Further information is provided in notes 12 and 14 to the financial statements.

Remuneration Report

The Directors' Remuneration Report, which can be found on pages 65 to 67 provides detailed information on the remuneration arrangements for Directors of the Company. Shareholders are asked to approve the Remuneration Policy and the Directors' Remuneration Report annually. There have been no changes to the Remuneration Policy since it was last approved by shareholders at the AGM on 13 August 2024. Remuneration is set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective (**Resolutions 2 and 3**).

Appointments to the Board

Under the articles of association of the Company, the number of Directors on the Board may be no more than twelve. Directors may be appointed by the Company by ordinary resolution or by the Board. All new appointments require prior Board approval and are subject to election by shareholders at the next annual general meeting. Institutional shareholders are given the opportunity to meet any newly appointed Director if they wish. An induction process is in place for new appointees and all Directors are encouraged to attend relevant training courses and seminars.

Removal of Directors

The Company may, by special resolution, remove any Director before the expiration of their term of office and may, by ordinary resolution, appoint another person who is willing to act to be a Director in their place. The provisions under which a Director would automatically cease to be a Director are set out in the Company's articles of association.

Contribution and Independence of Directors

The Board is composed solely of independent non-executive Directors. The Nomination Committee has considered each Director and the Board has concurred with its assessment that each Director continues to make a valuable and effective contribution and remains committed in their respective roles. Furthermore, no Director has a recent or current connection with the Manager and each remains independent in character and judgement, with no relationships or circumstances relating to the Company that are likely to affect that judgement. It is noted that Randeep Grewal, who was appointed to the Board on 1 December 2023, and Jo Dixon (until her retirement at the conclusion of the Company's AGM on 13 August 2024) had an overlapping external directorship as both were non-executive directors of Bellevue Healthcare Trust plc, another listed company. The Nomination Committee assessed this and concluded that neither this, nor any other external directorships held by the Directors, present a conflict or impacts their independence. The Board has therefore concurred with the Nomination Committee's assessment that all Directors are independent of the Manager and of the Company itself.

The following table sets out the Directors' meeting attendance in the year under review. The Board also held a separate meeting in February 2025 to consider strategic issues and also met regularly in private sessions, without any representation from the Manager.

Directors' attendance

	Board	Audit and Management Engagement Committee	Nomination Committee
No. of meetings	6	3	4
Anja Balfour	6	3	4
Nick Bannerman	6	3	4
Bulbul Barrett	6	3	4
Jo Dixon[(1)]	2	1	2
Randeep Grewal	6	3	4
Zoe King[(2)]	3	2	n/a
Graham Oldroyd	6	3	4

(1) Retired on 13 August 2024
(2) Appointed on 12 December 2024

Election/Re-Election of Directors

The names of the Directors of the Company, along with their biographical details, are set out on pages 46 and 47 and are incorporated into this report by reference. The skills and experience each Director brings to the Board for the long-term sustainable success of the Company are also set out.

With the exception of Zoe King, who was appointed on 12 December 2024 and Jo Dixon who retired on 13 August 2024, all Directors held office throughout the year under review.

In accordance with the Company's Articles of Association, any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election. Accordingly, Zoe King will retire at the AGM, being the first such meeting following her appointment and, being eligible, offer herself for election (**Resolution 8**).

In accordance with the AIC Code, the Board has agreed that all Directors will retire annually. Anja Balfour is not standing for re-election and will retire at the conclusion of the forthcoming Annual General Meeting. Accordingly, Nick Bannerman, Bulbul Barrett, Randeep Grewal and Graham Oldroyd will retire at the AGM and, being eligible, offer themselves for re-election. (**Resolutions 5, 6, 7 and 9**).

Directors' Interests and Indemnification

There were no contracts to which the Company was a party and in which a Director is, or was, materially interested during the year. There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Company has granted a deed of indemnity to the Directors in respect of liabilities that may attach to them in their capacity as Directors of the Company. This covers any liabilities that may arise to a third party for negligence, default or breach of trust or duty. This deed of indemnity is a qualifying third-party provision (as defined by section 234 of the Act). During the year, the Company put in place new deeds of indemnity in favour of each of the Directors to account for legislative updates and changes in market practice. These deeds give each Director the benefit of an indemnity to the extent permitted by the Companies Act 2006 against liabilities incurred by each of them in the execution of their duties and the exercise of their powers. These have been in force throughout the year under review and, in the case of Zoe King, from her appointment on 12 December 2024, and remain in place as at the date of this report. A copy of each deed is available for inspection at the Company's registered office during normal business hours and at the AGM. The Company also maintains directors' and officers' liability insurance.

Safe Custody of Assets

The Company's listed investments are held in safe custody by JPMorgan Chase Bank (the **'Custodian'**). Operational matters with the Custodian are carried out on the Company's behalf by the Manager in accordance with the provisions of the investment management agreement. The Custodian is paid a variable fee dependent on the number of trades transacted and location of the securities held.

Depositary

JPMorgan Europe Limited (the **'Depositary'**) acts as the Company's Depositary in accordance with the Alternative Investment Fund Manager's Directive (**'AIFMD'**). The Depositary's responsibilities, which are set out in an Investor Disclosure Document on the Company's website, include: cash monitoring; ensuring the proper segregation and safe keeping of the Company's financial instruments that are held by the Custodian; and monitoring the Company's compliance with investment and leverage limits requirements. The Depositary receives for its services a fee of one basis point per annum, based on the Company's net assets, payable monthly in arrears.

Although the Depositary has delegated the safekeeping of all assets held within the Company's investment portfolio to the Custodian, in the event of loss of those assets that constitute financial instruments under the AIFMD, the Depositary will be obliged to return to the Company financial instruments of an identical type, or the corresponding amount of money, unless it can demonstrate that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Manager's Fee

With effect from 1 May 2023, a tiered element to the management fee was introduced. The Manager is paid a management fee at the rate of 0.55% per annum of the Company's net asset value up to £750m, excluding any investments made in third party collective funds and at the rate of 0.5% per annum of the Company's net asset value in excess of £750m, excluding any investments made in third party collective funds. Any investments made in third party collective funds are subject to a charge of 0.275% per annum of their market value. The management fee is calculated and paid monthly in arrears.

The amount charged in the year under review was £4,184,000, a decrease of 0.3% from the £4,198,000 charged in the year to 30 April 2024.

Note 4 to the financial statements shows the apportionment of the management fee between capital and revenue.

Manager Evaluation Process

The Manager's performance is considered by the Board at every meeting with a formal evaluation by the Audit and Management Engagement Committee each year. For the purposes of its ongoing monitoring, the Board receives detailed reports and views from the Lead Manager on investment policy, asset allocation, gearing and risk, including formal presentations on the North American, UK, European, Japanese and Rest of World portfolios at least annually. In evaluating the Manager's performance, the Board considers a range of factors including the investment performance of the portfolio as a whole, performance of the various regional sub-portfolios and the skills, experience and depth of the team involved in managing the Company's assets. The Board measures the overall relative success of the Company against the Benchmark and its peers, with each regional sub-portfolio being measured against relevant local small capitalisation indices. It also considers the resources and commitment of the Manager in all areas of its responsibility, including the marketing and administrative services provided to the Company. Portfolio performance, which is relevant in monitoring the Manager, is set out on pages 14 to 23.

Manager Re-appointment

The annual evaluation that took place in April 2025 included presentations from the Lead Manager and the Manager's Head of Investment Trusts. This focused primarily on investment performance and the services provided to the Company more generally.

In light of the long-term investment performance of the Manager and the quality of the overall service provided, the Audit and Management Engagement Committee concluded that in its opinion the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The Board ratified this recommendation.

AGM and Online Viewing

The Company's AGM will be held at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA, on Friday 15 August 2025 at 12.00 noon. The meeting will also be streamed live on the internet so that those shareholders who cannot attend in person will be able to view the proceedings. The broadcast can be viewed by registering here: https://www.investormeetcompany.com/the-global-smaller-companies-trust-plc/register-investor

We encourage shareholders who cannot attend to exercise their votes either through the Registrar's online portal or by completing and returning their Form of Proxy or Form of Direction. Voting on all resolutions will be held on a poll, the results of which will be announced via a regulatory announcement and will be shown on the Company's website following the meeting.

Authority to Allot Shares and Sell Shares from Treasury (Resolutions 12 and 13)

By law, directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. In addition, directors require specific authority from shareholders before allotting new shares (or granting rights over shares) or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 12 gives the Directors the necessary authority to allot securities up to an aggregate nominal amount of £1,109,860.85 (44,394,434 ordinary shares), being equivalent to approximately 10% of the Company's issued share capital (calculated exclusive of the shares held in treasury) as at 26 June 2025, being the latest practicable date before the publication of the Notice of AGM. The authority will expire at the conclusion of the annual general meeting to be held in 2026 or, if earlier, 15 months from the passing of the resolution.

Resolution 13 empowers the Directors to allot such securities and to sell shares from treasury for cash, without first offering them to existing shareholders in proportion to their existing holdings, up to an aggregate nominal amount of £1,109,860.85 (representing approximately 10% of the issued ordinary share capital (excluding shares held in treasury) of the Company as at 26 June 2025.

For completeness, this equates to approximately 7.2% of the total issued ordinary share capital (including shares held in treasury) of the Company as at 26 June 2025, being the latest practicable date prior to the publication of this document.

These authorities provide the Directors with a degree of flexibility to increase the assets of the Company by the issue of new shares or the sale of treasury shares, in accordance with the policies set out on pages 43 to 45 or should any other favourable opportunities arise to the advantage of shareholders. Under no circumstances would the Directors issue new shares or sell treasury shares at a price which would result in a dilution of the NAV per ordinary share.

Authority for the Company to Purchase its Own Shares (Resolution 14)

At the annual general meeting held on 13 August 2024 the Company was authorised to purchase up to 71,834,793 ordinary shares (being 14.99% of its own shares, excluding shares held in treasury, immediately prior to the passing of the resolution) for cancellation or to be held in treasury. The number of shares remaining under that authority as at 30 April 2025 was 40,060,120 shares or 8.95% of the issued share capital exclusive of the number of shares held in treasury. Resolution 14 will authorise the renewal of such authority enabling the Company to purchase in the market up to a maximum of 14.99% of the issued share capital, exclusive of treasury shares, immediately prior to the passing of the resolution and sets out the minimum and maximum prices at which such shares may be bought, exclusive of expenses, reflecting the requirements of the Act and the UK Listing Rules.

The Directors will continue to use this authority in accordance with the policies set out on pages 43 to 45. Under the Companies Act 2006, the Company is permitted to hold its own shares in treasury following a buy-back, instead of cancelling them. This gives the Company the ability to reissue treasury shares quickly and cost-effectively (including pursuant to the authority under Resolution 13) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 14, the Company will have the option of either holding in treasury or of cancelling any of its shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue. Purchases of ordinary shares under the authority will be financed out of realised revenue and/or capital reserves and funded from the Company's own cash resources or, if appropriate, from short-term borrowings. This authority will expire at the conclusion of the annual general meeting to be held in 2026 or, if earlier, 15 months from the passing of the resolution. The Board intends to seek the renewal of such authority at subsequent annual general meetings.

Notice Period for Meetings (Resolution 15)

The Act and the Company's articles of association provide that all general meetings (other than annual general meetings) can be convened on not less than 14 days' notice. However, one of the requirements of the Shareholder Rights Directive is that all general meetings must be held on not less than 21 clear days' notice, unless shareholders agree to a shorter notice period. The Board is of the view that it is in the Company's interests to have a shorter notice period which complies with the provisions of the Act and the Company's articles to allow all general meetings (other than an annual general meeting) to be called on not less than 14 clear days' notice. The passing of Resolution 15 would constitute shareholders' agreement for the purposes of the Shareholder Rights Directive (which agreement is required annually) and would therefore preserve the Company's ability to call general meetings (other than an annual general meeting) on not less than 14 clear days' notice. The Board would utilise this authority to provide flexibility when merited and would not use it as a matter of routine. The Board intends to seek the renewal of such authority at subsequent annual general meetings.

Approval for the Cancellation of the Share Premium Account and Capital Redemption Reserve (Resolution 16)

Resolution 16, which will be proposed as a special resolution, relates to the cancellation of the Company's share premium account and capital redemption reserve (the **"Cancellation"**) which are non-distributable reserves pursuant to the Companies Act 2006.

Subject to confirmation by the High Court and the Cancellation taking effect, the amounts so cancelled will be credited to the Company's distributable reserves. This will provide the Company with flexibility to support, amongst other things, share buy-backs and the payment of dividends or other distributions to shareholders in the future.

Form of Proxy for AGM Voting

If you are a registered shareholder you will receive a form of proxy for use at the AGM. You will also have the option of lodging your proxy vote electronically at www.eproxyappointment.com. For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system. Please either complete, sign and return the form of proxy in the envelope provided as soon as possible in accordance with the instructions or, alternatively, lodge your proxy vote via the Internet or the CREST proxy voting system.

All shareholders are strongly encouraged to vote in advance of the AGM and, to do so, all proxy appointments must be returned no later than 13 August 2025.

Form of Direction and Proportional Voting

If you are an investor in any of the Manager's Savings Plans you will receive a form of direction for use at the AGM and you will also have the option of lodging your voting directions using the Internet. The Manager operates a proportional voting arrangement, which is explained on page 50.

All forms of direction should be submitted as soon as possible in accordance with the instructions thereon and, in any event, not later than 12.00 noon on 7 August 2025, so that the nominee company can submit a form of proxy before the deadline for registered shareholders.

Voting Recommendation

Your Board considers that the resolutions to be proposed at the AGM are in the best interests of the shareholders as a whole. It therefore recommends that shareholders vote in favour of each resolution, as is the intention of the Directors in respect of their own beneficial holdings.

Charitable Donations

During the year, the Company made a donation of £750 to a charity that supports educational projects.

By order of the Board
Columbia Threadneedle Investment Business Limited
Company Secretary
30 June 2025

Chairman's Statement
on corporate governance

Dear Shareholder,
On pages 46 and 47 you will find summary details of the Directors responsible for the governance of your Company, including mine as your Chairman. Details are also available on the website as shown on page 1. The Company invests in a wide range of companies and, as a Board, we believe that good governance creates value and expect the companies in which we invest to apply high standards. In maintaining the confidence and trust of our own investors, we set out to adhere to the very highest standards of corporate governance, business and ethics transparency. We remain committed to doing so.

Governance Overview

The Board has established an Audit and Management Engagement Committee and a Nomination Committee. The role and responsibilities of these committees are set out in their respective reports which follow. As the Board has no executive directors and no employees, and is comprised entirely of independent non-executive directors, it does not have a Remuneration Committee. Detailed information on the remuneration arrangements for the Directors of the Company can be found in the Remuneration Report on pages 65 to 67 and in note 5 to the financial statements.

The Company has appointed the Manager to manage the investment portfolio as well as to carry out the day to day management and administrative functions. An explanation of the reporting arrangements from the Manager is set out in the Strategic Report on page 37 and in the Report of the Audit and Management Engagement Committee in respect of risk management and internal control on page 60. Explanations concerning the Board's appointment of the Manager, including reference to the strength of their resources, measurement of performance and alignment with the values of the Board can be found on page 37.

The Board has direct access to the company secretarial advice and services of the Manager which, through the Company Secretary, is responsible for ensuring that Board and committee procedures are followed and applicable regulations are complied with. The proceedings at all Board and other meetings are fully recorded through a process that allows any Director's concerns to be recorded by the Company Secretary in the minutes. The Board has the power to appoint or remove the Company Secretary in accordance with the terms of the investment management agreement.

Composition of the Board and Committees

The Board currently comprises six directors and maintains plans for orderly succession, ensuring that the right balance of skills, experience, knowledge, independence and diversity are in place for the Board to operate effectively, as a whole. The Board currently meets the diversity targets set out in the FCA UK Listing Rules as shown on page 44.

All Directors are members of the Audit and Management Engagement Committee and the Nomination Committee and this is noted under the Directors' biographies on page 47, while the respective terms of reference can be found on the Company's website. Further detail is given in respect of the composition of the Audit and Management Engagement Committee on pages 59 and 60. The Board considers that, given its size, it would be unnecessarily burdensome to establish separate committees which did not include the entire Board and believes that this enables all Directors to be kept fully informed of any issues that arise.

Compliance with the AIC Code of Corporate Governance (the 'AIC Code')

We have considered the Principles and Provisions of the AIC Code published in 2019. The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code published in 2018 (the **'UK Code'**), as well as setting out additional provisions on issues that are of specific relevance to the Company. Also, there are two main differences. In the AIC Code, both the nine year limit on chair tenure and the restriction on the chair of the Board being a member of the Audit Committee have been removed.

I, Anja Balfour, was appointed to the Board on 1 June 2015 and then as Chairman on 30 July 2020 and at the date of this report have now served for more than ten years. As set out in the Report of the Nomination Committee, a succession plan for the Board is in place to enable retirements, while ensuring the continuity of corporate knowledge and culture of the Board. As part of this plan, I will retire following the conclusion of the AGM on 15 August 2025. The tenure policy relating to the Directors, which includes the Chairman, is set out on page 63.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders. By reporting against the AIC Code, the Company meets its obligations in relation to the UK Code (and associated disclosure requirements under paragraph 6.6.6 of the UK Listing Rules) and as such does not need to report further on issues contained in the UK Code which are not relevant to it as an externally managed investment company.

The Board considers that the Company has complied with the recommendations of the AIC Code, noting that provisions relating to the role of the Chief Executive, executive directors' remuneration, the need for an internal audit function and workforce engagement are not relevant to the Company, being an externally managed investment trust company. In particular, all of the Company's day to day management and administrative functions have been delegated to the Manager. As a result, the Company has no executive directors, employees or internal operations. As explained in the Report of the Audit and Management Engagement Committee, the Chairman of the Board is also a member of this Committee, as permitted by the AIC code. Therefore, with the exception of the need for an internal audit function, which is addressed on pages 60 and 61, we have not reported further in respect of these provisions. Copies of the UK Code and AIC Code can be found on their respective websites: frc.org.uk and theaic.co.uk.

In January 2024 the Financial Reporting Council updated the UK Code and subsequently, in August 2024, the AIC Code was also updated. Some of these updates will apply to the Company in the financial year ended 30 April 2026 and it is the intention of the Board that the Company will comply with the relevant provisions.

Anja Balfour
Chairman
30 June 2025

Applying the principles of the AIC code

Company Purpose
Information relating to the Company's purpose, values and culture can be found on page 36.

Board Leadership
The Board is responsible for the effective stewardship of the Company's affairs and has in place a schedule of matters that it has reserved for its decision, which are reviewed periodically. These are categorised and reviewed under strategy, policy, finance, risk, investment restrictions, performance, marketing, appointments, the Board and public documents. It has responsibility for all corporate strategic issues, principal policies (set out on pages 43 to 45) and corporate governance matters which are all reviewed regularly.

At each meeting the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objectives and is responsible for setting investment and gearing limits within which the Lead Manager has discretion to act, and thus supervises the management of the investment portfolio which is contractually delegated to the Manager. The Board has responsibility for the approval of any unlisted investments.

Division of Board Responsibilities
As an externally managed investment trust company, there are no executive Directors; all Directors are non-executive. The Chairman is responsible for the leadership and management of the Board and promotes a culture of openness, challenge and debate. The Chairman sets the agenda for all Board meetings under a regular programme of items in conjunction with the Company Secretary.

The Board has a strong working relationship with the Manager, whose personnel, including the Lead Manager, attend and report to the Board at every meeting. Discussions at all levels are held in a constructive and supportive manner with appropriate challenge and strategic guidance and advice from the Board whenever necessary, consistent with the culture and values.

Until her retirement following the conclusion of the AGM on 13 August 2024, Jo Dixon was the Senior Independent Director. From this date, Graham Oldroyd then agreed to become the Senior Independent Director and he acts as an experienced sounding board for the Chairman and an intermediary for other Directors and shareholders. He also leads the annual evaluation of the Chairman. Anja Balfour will retire following the conclusion of the forthcoming AGM on 15 August 2025 and Graham Oldroyd has agreed to become Chairman, following her retirement. As a consequence, Bulbul Barrett will then become the Senior Independent Director, from this date.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. Directors are able to seek independent professional advice at the Company's expense in relation to their duties. No such advice was taken during the year under review.

Composition and Succession
The Report of the Nomination Committee sets out on page 63 its role and key responsibilities. The composition of the Board and Committee members is set out in the Directors' details on pages 46 and 47. The Company's diversity policy is set out on page 44.

Board Evaluation and Effectiveness
Each year the Board undertakes an evaluation of the effectiveness of individual Directors, the Board and its Committees. The Board and Committee evaluation for the year under review was carried out using a questionnaire and was followed by one-to-one discussions between the Chairman and each of the Directors. The performance of the Chairman was included as part of the process and led separately by the Senior Independent Director. The findings of the evaluations were reviewed and discussed by the Board.

There were no significant issues arising from the evaluation process and it was agreed that the Board and its Committees were functioning effectively. All Directors make an effective contribution to the Board commensurate with their experience and skills.

Audit, Risk Management and Internal Control
The Board has established an Audit and Management Engagement Committee, the report of which is set out on pages 59 to 62. The report includes the rationale for the Company not having

established its own internal audit function; how the independence and effectiveness of the external auditor is assessed; and how the Board satisfies itself on the integrity of the Company's financial statements. The report covers the process under which the Board satisfied itself that the Annual Report and Financial Statements presents a fair, balanced and understandable assessment of the Company's position and prospects. There is an explanation of the procedures under which risk is managed and how the Board oversees the internal control framework and determines the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. Further information on the Company's risk and control framework can be found on pages 60 and 61.

Relations with Shareholders and Stakeholders

The Company's stakeholders, and the engagement undertaken with them in the year under review, are set out on pages 37 to 38.

Remuneration

The Board's remuneration policy is explained on page 65. As non-executive Directors, fees are set at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the contribution towards the delivery of the investment objective. The Company has no executive Directors or employees. The fees paid to the Manager are charged at a competitive rate on the Company's net assets and are therefore aligned with the Company's purpose, its values, the successful delivery of its long-term strategy and the interests of its shareholders.

By order of the Board
Columbia Threadneedle Investment Business Limited
Company Secretary
30 June 2025

Report of the Audit and Management Engagement Committee

Role of the Committee

The primary responsibilities of the Committee are to ensure the integrity of the financial reporting and statements of the Company; to oversee the preparation and audit of the annual financial statements, the preparation of the half-yearly financial statements and the internal control and risk management processes; and to assess the performance of the Manager and review the fees charged. The Committee met on three occasions during the year with representatives from the Manager, including the trust accountant, Head of Investment Trusts, Operational Risk and the Lead Manager in attendance. A representative of the Company's independent auditor, BDO, attended the year end and half year meetings and met in private session with the Committee.

Specifically, the Committee considered, monitored and reviewed the following matters:

- The audited annual results statement and annual report and financial statements and the unaudited half-yearly report and financial statements, including advice to the Board as to whether the annual report and financial statements taken as a whole are fair, balanced and understandable;
- The accounting policies of the Company;
- The principal and emerging risks faced by the Company and the effectiveness of the Company's risk management and internal control environment, including consideration of the assumptions underlying the Board's 'Long-Term Viability: Five Year Horizon' statement;
- How the Company has applied the principles of and complied with the provisions of the AIC Code;
- The effectiveness of the external audit process and the current independence and objectivity of BDO;
- The appointment, remuneration and terms of engagement of the independent auditor;
- The policy on the engagement of the external auditor to supply non-audit services and approval of any such services;
- Whether to change the Company's current policy by establishing its own Internal Audit function;
- The ISAE/AAF Report from the Manager and similar controls reports from the Custodian and the Company's Share Registrar;
- The performance of the Company's third party service providers and administrators, other than the Manager, and the fees charged in respect of those services;
- The performance of the Manager and their fees; and
- The Committee's terms of reference for approval by the Board.

Comprehensive papers relating to each of these matters were prepared for discussion. These were debated by the Committee and any recommendations were fully considered if there was a judgement to be applied in arriving at conclusions. Recommendations were then made to the Board as appropriate.

The Board retains ultimate responsibility for all aspects relating to external financial statements and other significant published financial information as is noted in the Statement of Directors' Responsibilities on page 68. On broader control policy issues, the Committee has considered, and is satisfied with, the Code of Conduct and the Anti-Bribery and Anti-Corruption Policy to which the Manager and its employees are subject. The Committee has also considered the Manager's Whistleblowing Policy, under which its directors and staff may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The necessary arrangements are in place for communication by the Manager to this Committee where matters might impact the Company with appropriate follow-up action. In the year under review there were no such concerns raised with the Committee.

Composition of the Committee

The Board recognises the requirement for the Committee as a whole to have competence relevant to the sector in which the Company operates and for at least one member to have recent and relevant financial experience. All Directors of the Company are members of the Committee, including the Chairman of the Board. In accordance with the AIC Code and given the size of the Board it is considered appropriate for the Chairman of the Board to be a member of the Committee. All Committee members are independent non-executive Directors. Jo Dixon, who is a Chartered Accountant, was the Chairman of the Committee until her retirement on 13 August 2024. Following her retirement, Nick Bannerman, who is also a Chartered Accountant, then became Chairman of the Committee. The other members of the Committee have a combination of financial, investment and business experience through the senior posts held throughout their careers and all have a wide experience of the investment trust sector. Details of the members can be found on pages 46 and 47 and the Committee’s terms of reference can be found on the Company's website as shown on page 1.

Management of Risk

The Manager's Operational Risk team provides regular control report updates to the Committee covering risk and compliance, while any significant issues of direct relevance to the Company are required to be reported to the Committee and Board without delay. During the year, the Committee also met with a representative of the Manager's internal audit function to discuss the outcome of its recent projects and planned activities within Columbia Threadneedle Investments.

A key risk summary is produced by the Manager in consultation with the Board to identify the risks to which the Company is exposed, the controls in place and the actions being taken to mitigate them. The Committee and Board has a robust process for considering the resulting risk matrix at its meetings and dynamically reviews the significance of the risks and the reasons for any changes.

The Company’s Principal and Emerging Risks are set out on page 40 with additional information given in note 23 to the financial statements. The Committee noted the robustness of the Board’s review of principal risks, and the identification of emerging risks, and participated as Board members themselves. The integration of these risks into the analyses underpinning the ‘Long-Term Viability: Five Year Horizon’ Statement on page 41 was fully considered and the Committee concluded that the Board’s statement was soundly based. The period of five years was also agreed as remaining appropriate for the reasons given in the viability statement.

Risk Management and Internal Control

The Board has overall responsibility for the Company’s system of risk management and internal control, for reviewing its effectiveness and ensuring that risk management and internal control processes are embedded in the day-to-day operations which are managed by the Manager. The Committee has reviewed and reported to the Board on those controls, which aim to ensure that the assets of the Company are safeguarded, proper accounting records are maintained and the financial information used within the business and for publication is reliable. Control of the risks identified, covering financial, operational, compliance and overall risk management, is exercised by the Committee through regular reports provided by the Manager. The reports cover investment performance, performance attribution, compliance with agreed and regulatory investment restrictions, financial analyses, revenue estimates, performance of the third-party administrator of the Manager's Savings Plans and other relevant management issues.

The system of risk management and internal control is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement, or loss or fraud. Further to the review by the Committee, the Board has assessed the effectiveness of the Company’s system of risk management and internal control. The assessment included a review of the Manager's risk management infrastructure and Report on Internal Controls for the period to 30 September 2024 (the **‘ISAE/AAF Report’**). The Committee also received confirmation from the Manager that, subsequent to this date, there had been no material changes to the control environment. The ISAE/AAF Report had been prepared by the Manager in accordance with ISAE No. 3402 and AAF 01/20. The ISAE/AAF Report from independent service auditor KPMG LLP sets out the Manager’s control policies and procedures with respect to the management of clients’ investments and maintenance of their financial records. The effectiveness of those controls is monitored by the Manager's Audit and Risk Committee, which received regular internal audit reports. Procedures are also in place to capture and evaluate any failings and weaknesses within the Manager's control environment and those extending to any outsourced service providers to ensure that action would be taken to remedy any significant issues. Any errors or breaches relating to the Company are reported at each Committee and Board meeting by the Manager, including those relating to the administration of its savings plans and related complaint levels. No failings or weaknesses material to the overall control environment and financial statements were identified in the period under review. The Committee also reviewed the internal control reports of the Custodian and the Registrar and were satisfied that there were no material exceptions.

Through the reviews and reporting arrangements set out and by direct enquiry of the Manager and other relevant parties, the Committee and the Board have satisfied themselves that there were no material control failures or exceptions affecting the

Company's operations during the year under review nor to the date of this Report.

Based on the processes and controls in place within the Manager, the Committee has concluded, and the Board has concurred, that there is no current need for the Company to have a separate internal audit function.

External Audit Process and Significant issues Considered by the Committee

In carrying out its responsibilities, the Committee has considered the planning arrangements, scope, materiality levels and conclusions of the external audit for the year under review. The table below describes the significant judgements and issues considered by the Committee in conjunction with BDO in relation to the financial statements for the year and how these issues were addressed. The Committee also included in their review the areas of judgements, estimates and assumptions referred to in note 2(c)(xii) to the financial statements. Likewise, the Committee reviewed the disclosure and description of Alternative Performance Measures provided on page 105 and is satisfied that the disclosure is fair and relevant. Procedures for investment valuation and existence and recognition of income were the main areas of audit focus and testing.

The Committee met in June 2025 to discuss the final draft of the Annual Report and Financial Statements, with representatives of BDO and the Manager in attendance. BDO submitted their year-end report and confirmed that they had no reason not to issue an unqualified audit report in respect of the Annual Report and Financial Statements. The Committee established that there were no material issues or findings arising which needed to be brought to the attention of the Board.

The Committee recognises the importance of continually improving non-financial reporting and the increased focus on the Strategic Report by investors and regulators. The Committee has carefully considered the disclosures made in the Annual Report and Financial Statements particularly in relation to the disclosures under section 172(1) of the Act including how wider stakeholder interests have been taken into account by the Directors while performing their duties. The Committee has also had regard to the non-financial reporting requirements in the Act, which is an area of reporting that is expected to evolve further in coming years.

Significant Judgements and Issues considered by the Committee for the year ended 30 April 2025

Matter	Action
Investment Portfolio Valuation	
Although the Company's portfolio of investments is predominantly invested in listed securities quoted on recognised stock exchanges, errors in the valuation could have a material impact on the Company's NAV per share.	The Board periodically reviews the full portfolio valuation and receives quarterly monitoring and control reports from the Manager and Depositary. The Committee reviewed the Manager's ISAE/AAF Report on internal controls which is reported on by an independent external service Auditor. This report indicated that the relevant systems and controls surrounding daily pricing, cash and holdings reconciliations and security valuation had operated satisfactorily.
Misappropriation of Assets	
Misappropriation of the Company's investments or cash balances could have a material impact on its NAV per share.	The Committee reviewed the Manager's ISAE/AAF Report, as previously referred to, and the Custodian's semi-annual report on internal controls which are reported on by independent external service Auditors. Neither of these reports indicated any failures of controls over the existence and safe custody of the Company's investments and cash balances. The Company's Depositary reported quarterly on the safe custody of the Company's investments and the operation of controls over the movement of cash in settlement of investment transactions. Through these reports the Committee is satisfied that the assets remained protected throughout the year.
Income Recognition	
Incomplete controls over, or inaccurate recognition of, income could result in the Company misstating its revenue receipts and associated tax, with consequences for overall performance, payment of dividends to shareholders, and compliance with taxation rules.	The Committee's review of the Manager's ISAE/AAF Report, as previously referred to, indicated that there were no control failures in the year. The Committee reviewed and approved at the interim and annual accounts reporting meetings, any dividend receipts deemed to be capital (special) in nature by virtue of their payment out of investee company restructuring rather than ordinary business operations. In addition, the Committee reviewed that all special dividends had been correctly treated in accordance with the Company's accounting policy.

Consequently, the Committee recommended to the Board that the Annual Report and Financial Statements were in its view, fair, balanced and understandable in accordance with accounting standards, regulatory requirements and best practice.

The Independent Auditor's report, which sets out the unqualified audit opinion, the scope of the audit and the areas of focus, in compliance with applicable auditing standards, can be found on pages 69 to 74.

Auditor Assessment, Independence and Re-appointment

The Committee reviews the re-appointment of the auditor every year and has been satisfied with the effectiveness of BDO's performance on its audit of the Company's financial statements. BDO has confirmed that they are independent of the Company and have complied with relevant auditing standards. In evaluating BDO, the Committee has taken into consideration the skills and experience of the firm and of the audit team. From direct observation and indirect enquiry of the Manager, the Committee is satisfied that BDO will continue to provide effective independent challenge in carrying out its responsibilities. Its fee was £49,350, excluding VAT (2024: £47,000).

Following an audit tender process in 2019, BDO was first appointed as Auditor for the year ended 30 April 2020. Following professional guidelines, the Senior statutory auditor responsible for the audit at BDO rotates at least every five years. David Reeves, the current senior statutory auditor was engaged for the first time during the current year ended 30 April 2025, which was BDO's sixth year as Auditor.

The Company has a duty to consider carefully the audit for value and effectiveness and, as part of its annual review, considers the need for putting the audit out to tender for reasons of quality, independence or value. The Company is required to carry out a tender every ten years with the next due no later than 2029.

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. This order relates to the frequency and governance of tenders for the appointment of the external auditor and the setting of the policy on the provision of non-audit services.

Non-audit Services

The Committee regards the continued independence of the external auditor to be a matter of the highest priority. The Company's policy with regard to the provision of non-audit services by the external auditor ensures that no engagement will be permitted if:

- the provision of the services would contravene any regulation or ethical standard;
- the auditor is not considered to be an expert provider of the non-audit services;
- the provision of such services by the auditor creates a conflict of interest for either the Board or the Manager; and
- the services are considered to be likely to inhibit the auditor's independence or objectivity as auditor.

In particular, the Committee has a policy that the accumulated costs of all non-audit services sought from the auditor in any one year should not exceed 30% of the likely audit fees for that year and not exceed 70% cumulatively over three years. There were no non-audit services for the year ended 30 April 2025.

Committee Evaluation

The activities of the Committee were considered as part of the Board evaluation process as noted on page 57. The evaluation found that the Committee continued to function well, with an appropriate balance of skills and experience.

Nick Bannerman
Chairman
Audit and Management Engagement Committee
30 June 2025

Report of the Nomination Committee

Role of the Committee

The primary role of the Nomination Committee is to review and make recommendations with regard to Board structure, size and composition. It takes into account the ongoing requirements of the Company and the need to have a balance of knowledge, experience, skill ranges, diversity (including gender, race, ethnicity, religion, sexual orientation, age, physical ability, educational, professional and socio-economic background), independence and knowledge of the Company within the Board and carefully considers succession planning and tenure policy. All of the Committee's responsibilities have been carried out in the year under review and to date.
The Committee met four times during the year and specifically considered, monitored and reviewed the following matters:

- the structure and size of the Board and its composition particularly in terms of succession planning and the experience and skills of the individual Directors and diversity across the Board as a whole;
- tenure policy;
- the criteria for future Board appointments and the methods of recruitment, selection and appointment;
- the appointment of new Directors and the election/re-election of those Directors standing for election/re-election at annual general meetings;
- the attendance and time commitment of the Directors in fulfilling their duties, including the extent of their other directorships;
- each Director's independence; and
- the authorisation of each Director's situational conflicts of interests in accordance with the provisions of the Act and the policy and procedures established by the Board in relation to these provisions.

Composition of the Committee

As the Board has no executive directors or employees and is comprised entirely of independent non-executive directors, all Directors are members of the Committee and it is chaired by Anja Balfour. Anja Balfour will retire following the conclusion of the forthcoming AGM and it is intended that Graham Oldroyd will then become Chairman of the Committee. The terms of reference of the Committee can be found on the Company's website.

Diversity and Tenure

The Board's policy on diversity and inclusion, including the diversity targets set out in the UK Listing Rules, is set out on page 44. Director searches are undertaken in accordance with this objective and policy with the recruitment process open to a diverse range of candidates.

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company or, indeed, its chairman. This is because continuity and experience can add significantly to the strength of investment trust company boards where the characteristics and relationships tend to differ from those of other companies. Anja Balfour was appointed to the Board on 1 June 2015 and at the date of this report has now served for more than ten years and will retire following the conclusion of the forthcoming AGM to be held on 15 August 2025. As part of the Board's succession plan, to enable future retirements while ensuring continuity of corporate knowledge and culture of the Board, a new Director, Zoe King, was appointed during the financial year to 30 April 2025. The Board is committed to maintaining the highest levels of corporate governance in terms of independence and, once the Board's current succession plan is complete, would expect that in future the Chairman and Directors will serve for no more than a nine-year term, but this may be adjusted for reasons of flexibility and continuity.

Appointments and Succession Planning

Appointments of all new non-executive Directors are made on a formal basis, using professional search consultants as appropriate, with the Nomination Committee agreeing the selection criteria and the method of recruitment, selection and appointment.

During the year a search for a new non-executive Director was undertaken. An external search agency, Cornforth Consulting (**'Cornforth'**) which has no connection to the Company or the Directors, was engaged to assist with the process. The search took place with clearly defined candidate criteria produced by the Committee based on merit and objective criteria. The selection process was thorough and took into consideration the applications that came through Cornforth and interviews with the shortlisted candidates. The services provided by Cornforth were for the sole purpose of recruiting the eventual appointee and there were no other business relationships in place with that company. Following the recruitment process, it was agreed to appoint Zoe King to the Board with effect from 12 December 2024.

Having served on the Board since February 2015, Jo Dixon retired at the conclusion of the Company's AGM held on 13 August 2024 and Anja Balfour will retire following the conclusion of the forthcoming AGM to be held on 15 August 2025. The Board approved a recommendation from the Nomination Committee that following the retirement of Anja Balfour, Graham Oldroyd will become the Chairman of the Board and Nomination Committee and Bulbul Barrett will become the Senior Independent Director.

Committee evaluation

The activities of the Nomination Committee were considered as part of the Board evaluation process as reported on page 57.

Anja Balfour
Nomination Committee Chairman
30 June 2025

Directors' Remuneration Report

Directors' Remuneration Policy

The Board's policy is to set Directors' remuneration at a level commensurate with the skills and experience necessary for the effective stewardship of the Company and the expected contribution of the Board as a whole in continuing to achieve the investment objective. Time committed to the Company's business and the specific responsibilities of the Chairman, Senior Independent Director, Chairman of the Audit and Management Engagement Committee and the Directors and their retention are taken into account. The policy aims to be fair and reasonable in relation to comparable investment trust companies. This includes provision for the Company's reimbursement of all reasonable travel and associated expenses incurred by the Directors in attending Board and committee meetings, including those treated as a benefit in kind subject to tax and national insurance. This policy was last approved by shareholders at the Company's annual general meeting held on 13 August 2024 when 92.32% of the total votes received were cast in favour of the resolution and 7.68% were against. The Board has not subsequently received any views from shareholders in respect of the level of Directors' remuneration. The Board seeks approval of the policy annually and it will therefore be put to shareholders for approval at the forthcoming AGM (**Resolution 2**).

The Company's articles of association limit the aggregate fees payable to the Board to a total of £300,000 per annum. Within that limit, it is the responsibility of the Board as a whole to determine and approve the Directors' fees, following a recommendation from the Chairman and, in her case, from the Senior Independent Director. The fees are fixed and are payable in cash, quarterly in arrears. Directors are not eligible for bonuses, pension benefits, share options or long-term incentive schemes or other benefits. The Directors' fees are reviewed annually and have been increased with effect from 1 May 2025 to the levels shown in the table that follows.

The Board is composed solely of non-executive Directors, none of whom has a service contract with the Company, and therefore no remuneration committee has been appointed. Each Director has signed a terms of appointment letter with the Company, in each case including one month's notice of termination by either party. There is no provision for compensation for loss of office.

The letters of appointment are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting. The Company also maintains Directors' and officers' liability insurance.

The dates on which each Director was appointed to the Board are set out under their biographies on pages 46 and 47. Under the terms of their respective letters of appointment, each Director is subject to election at the first annual general meeting following their appointment and thereafter will continue subject to re-election at each subsequent annual general meeting in accordance with the provisions of the AIC Code. With the exception of Zoe King, who was appointed with effect from 12 December 2024, the Directors were last elected or re-elected at the annual general meeting held on 13 August 2024 and, with the exception of Anja Balfour, will stand for election or re-election at the AGM to be held on 15 August 2025. Jo Dixon retired as a Director with effect from the conclusion of the Company's AGM held on 13 August 2024.

Annual Statement

As Chairman of the Board, I confirm that effective 1 May 2024, for the year to 30 April 2025, the amounts paid to Directors increased by £1,500 per annum for the Chairman and the Audit and Management Engagement Committee Chairman and by £1,000 per annum for each of the other Directors.

Future Policy Table

Following a review of the level of Directors' fees for the year to 30 April 2026, the Board concluded that the amounts paid to Directors would increase by £2,000 per annum for the Chairman, by £1,500 for the Audit and Management Engagement Committee Chairman and by £1,000 per annum for the other Directors.

Based on this, Directors' fees for specific responsibilities for the financial year to 30 April 2026 are set out in the following table. No additional fees are payable for membership of the Nomination Committee.

Annual fees for Board Responsibilities

Year ended 30 April	2026 £'s	2025 £'s	2024 £'s
Chairman of the Board	52,500	50,500	49,000
Chairman of the Audit and Management Engagement Committee	42,000	40,500	39,000
Director	33,000	32,000	31,000

*The Senior Independent Director is paid an additional £1,500 per annum.

Annual Percentage Change

The following table sets out the annual percentage change in Directors' fees for each Director who served in the financial year under review:

Annual Percentage Change in Directors' Remuneration for the years to 30 April

Directors' Name	2025	2024	2023	2022	2021
Anja Balfour(1/7)	15.0	-7.6	4.4	3.4	47.4
Nick Bannerman(2)	22.9	3.3	7.1	4.0	70.9
Bulbul Barrett(3)	146.2	n/a	n/a	n/a	n/a
Jo Dixon(4)	-70.6	2.5	11.3	7.6	3.5
Randeep Grewal(3)	146.2	n/a	n/a	n/a	n/a
Zoe King(5)	n/a	n/a	n/a	n/a	n/a
Graham Oldroyd(6)(7)	-8.3	20.3	7.1	4.0	70.9

(1) Appointed as Chairman of the Board with effect from 31 July 2020
(2) Appointed to the Board on 1 October 2019 and as Chairman of the Audit and Management Engagement Committee on 13 August 2024
(3) Appointed to the Board on 1 December 2023
(4) Retired from the Board on 13 August 2024
(5) Appointed to the Board on 12 December 2024
(6) Appointed to the Board on 1 October 2019
(7) From 8 November 2023 until 18 February 2024, Graham Oldroyd was the interim chairman in place of Anja Balfour.

Directors' Interests in the Company

There is no requirement in the Company's Articles of Association for the Directors to hold shares in the Company. The beneficial shareholdings of the Directors who held office at the year end are as follows:

Directors' share interests (audited)

Year ended 30 April	2025	2024
Anja Balfour	66,467	51,816
Nick Bannerman	34,000	34,000
Bulbul Barrett	12,616	12,406
Randeep Grewal	6,213	6,213
Zoe King	30,000	n/a
Graham Oldroyd	54,409	40,134
Total	203,705	144,569

As at the latest practical date before the publication of this report, there have been no changes to the Directors' shareholdings. The Directors have no other share interests or share options in the Company.

Policy Implementation

The Directors' Remuneration Report is subject to an annual advisory vote and therefore an ordinary resolution for its approval will be put to shareholders at the forthcoming AGM. At the AGM held on 13 August 2024, shareholders approved the Remuneration Report in respect of the year ended 30 April 2024, with 93.66% of the votes cast in favour of the resolution and 6.34% against.

Relative Importance of Spend on Pay

The table below is shown to enable shareholders to assess the relative expenditure on Directors' remuneration, excluding taxable benefits, compared to the shareholder distributions of dividends and share buy-backs.

Actual expenditure

Year ended 30 April	2025 £'000s	2024 £'000s	% Change
Aggregate Directors' Remuneration	210.0	196.4	6.9
Aggregate Dividends paid to shareholders	13,536.0	12,186.0	11.1
Aggregate cost of ordinary shares repurchased	77,132.0	44,777.0	72.3

Directors' Emoluments for the Year

The Directors who served during the year received the following amounts for services as non-executive Directors as well as reimbursement for expenses necessarily incurred:

Fees for services to the Company

	Fees £'000s (audited)		Taxable Benefits[1] £'000s (audited)		Total £'000s (audited)		Anticipated fees[2] £'000s
Year ended 30 April	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2026**
Director							
Anja Balfour[3][8]	50.5	43.9	4.0	13.7	54.5	57.6	15.3
Nick Bannerman	38.1	31.0	4.8	7.6	42.9	38.6	42.0
Bulbul Barrett[4]	32.0	13.0	0.5	0.4	32.5	13.4	34.1
Jo Dixon[5]	11.9	40.5	0.0	6.9	11.9	47.4	n/a
Randeep Grewal[4]	32.0	13.0	0.5	0.4	32.5	13.4	33.0
Zoe King[6]	12.4	n/a	0.0	n/a	12.4	n/a	33.0
Graham Oldroyd[8]	33.1	36.1	0.7	4.9	33.8	41.0	47.2
David Stileman[7]	n/a	18.9	n/a	5.2	n/a	24.1	n/a
Total	210.0	196.4	10.5	39.1	220.5	235.5	204.6

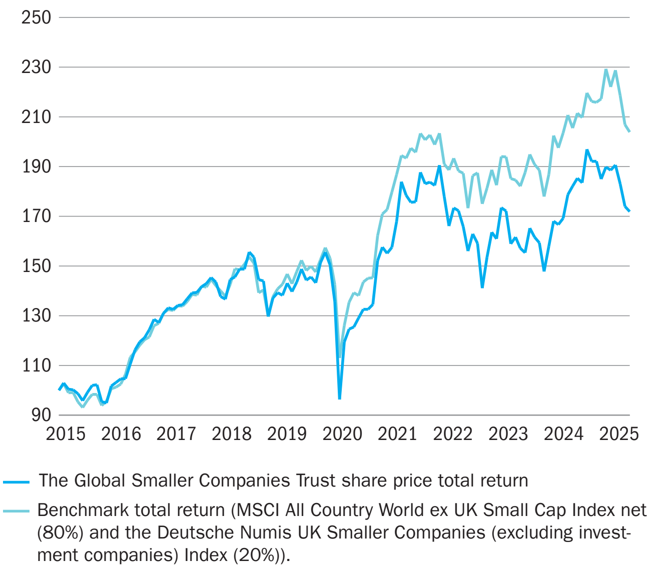
(1) Comprises amounts reimbursed for expenses incurred in carrying out business for the Company, which have been grossed up to include PAYE and NI contributions.
(2) Fees expected to be paid to the Directors during the year ended 30 April 2026. Taxable benefits are also anticipated but are not currently quantifiable.
(3) Highest paid Director.
(4) Appointed to the Board on 1 December 2023.
(5) Retired from the Board on 13 August 2024.
(6) Appointed to the Board on 12 December 2024.
(7) Retired from the Board on 11 December 2023.
(8) From 8 November 2023 until 18 February 2024, Graham Oldroyd was the interim chairman in place of Anja Balfour.

The information in the table above for the years ended 30 April 2025 and 2024 has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors.

Company performance

A graph showing the Company's share price total return compared with the return on its Benchmark over the required ten year period is set out. From 1 May 2023, the weighting in the Benchmark calculation has been adjusted, making the new Benchmark: 20% Deutsche Numis UK Smaller Companies (excluding investment companies) Index and 80% MSCI All Country World ex UK Small Cap Index. The calculation of the MSCI index returns is now measured on a net of tax basis.

Shareholder total return vs Benchmark total return over ten years



Source: State Street

On behalf of the Board
Anja Balfour
Chairman
30 June 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising 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 judgements and accounting 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 respectively; 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 confirm that they have complied with the above requirements in preparing the financial statements. Further details can be found in note 2 to the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Annual Report and Financial Statements is published on the Company's website, as shown on page 1, which is maintained by the Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information that is published on the website. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Directors' Report, confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- in the opinion of the Directors the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board
Anja Balfour
Chairman
30 June 2025

Independent Auditor's Report to the members of The Global Smaller Companies Trust PLC

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Global Smaller Companies Trust PLC (the **'Company'**) for the year ended 30 April 2025 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 **The Financial Reporting Standard applicable in the UK and Republic of Ireland** (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 25 July 2019 to audit the financial statements for the year ended 30 April 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 6 years, covering the years ended 30 April 2020 to 30 April 2025. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing going concern in light of market volatility and the present uncertainties in economic recovery created by the current economic environment of high inflation and interest rates, by reviewing the information used by the Directors in completing their assessment;
- Assessing the liquidity of the investment portfolio, which underpins the ability to meet the future obligations and operating expenses for a period of 12 months from the date of approval of these financial statements; and
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being in breach based on the Directors' forecast and sensitivity analysis.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview		2025	2024
Key audit matters	Valuation and ownership of quoted investments	✓	✓
	Revenue Recognition	✓	✓
Materiality	**Company financial statements as a whole** £7.4m (2024: £8.7m) based on 1% (2024: 1%) of Net assets.		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of quoted investments (Note 2(c)(ii) and Note 10 on Pages 80 and 86) The investment portfolio at the year-end comprises of quoted equity investments held at fair value through profit or loss. We considered the valuation and ownership of investments to be a significant audit area, as investments represent the most significant balance in the financial statements and underpin the principal activity of the Company. With respect to valuation, while we do not consider the valuation of quoted investments to involve a significant degree of estimation or judgement, there is a risk that the prices used for the quoted investments held by the Company may not reflect their fair value at the year end. Additionally, in relation to ownership, there is a risk that the company does not have appropriate title over quoted investments. For these reasons, and due to the materiality of the balance in the context of the financial statements as a whole, we consider this to be a key audit matter.	We responded to this matter by testing the valuation and ownership of 100% of the quoted investments by performing the following procedures: · Confirmed that the year-end bid price was used by agreeing to externally quoted prices; · Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the price per share; · Assessed whether there were any contra indicators, such as liquidity considerations, that could suggest the bid price was not the most appropriate measure of fair value, by considering the realisation period for individual holdings; and · Obtained direct confirmation of the number of shares held per quoted investment from the Custodian regarding all investments held at balance sheet date. **Key observations:** Based on the procedures performed, we did not identify any matters to suggest that the valuation and ownership of quoted investments was not appropriate.
Revenue Recognition: (Note 2(c)(v) and Note 3 on Pages 81 and 83) Income arises from dividends and interest and can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature. Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends. For this reason, we considered revenue recognition to be a key audit matter.	We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as revenue or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event. We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances, we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature. In addition, we formed our own expectation of dividend income for the whole portfolio using the entity's investment holdings and dividend announcements from independent sources. We vouched a sample of dividend receipts to bank. **Key observations:** Based on the procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be reasonable.

of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Company financial statements	2025 (£m)	2024 (£m)
Materiality	7.4	8.7
Basis for determining materiality	1% of Net assets	1% of Net assets
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.
Performance materiality	5.5	6.5
Basis for determining performance materiality	75% of materiality	75% of materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered several factors including the expected total value of known and likely misstatements and the level of transactions in the year.	The level of performance materiality applied was set after having considered several factors including the expected total value of known and likely misstatements and the level of transactions in the year.

Specific materiality

We also determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined its materiality for these items to be £721,000 (2024: £794,000), based on 5% of Revenue return before tax (2024: 5% of Revenue return before tax). We further applied a performance materiality level of 75% (2024: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £368,000 (2024: £174,000) for the financial statements as a whole and £36,000 (2024: £40,000) for differences in transactions and balances that impact revenue return. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled 'Annual report and Financial Statements for the year ended 30 April 2025' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 41.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 62; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 40; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 60; and • The section describing the work of the audit committee set out on page 59.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA's UK Listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reading minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain its Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry of the Alternative Investment Fund Manager and those charged with governance regarding any known or suspected instances of fraud;
- Reading minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to be management override of controls and revenue recognition classification.

In addressing the risk of management override of control and the classification of the dividend income, we:

- Performed a review of estimates and judgements applied by the Directors in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Considered the opportunity and incentive to manipulate accounting entries and tested adjustments that met defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud;
- Performed the procedures set out in the Key Audit Matter section above on revenue recognition;
- Reviewed significant transactions outside the normal course of business; and
- Performed a review of unadjusted audit differences for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, who were deemed to have the appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Reeves (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
30 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

Notes		For the year ended 30 April 2025			For the year ended 30 April 2024		
		Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
10	(Losses)/gains on investments	–	(53,702)	(53,702)	–	57,049	57,049
21	Foreign exchange (losses)/gains	(56)	431	375	(10)	335	325
3	Income	17,031	1,660	18,691	18,597	–	18,597
4	Management fee	(1,046)	(3,138)	(4,184)	(1,050)	(3,148)	(4,198)
5	Other expenses	(1,168)	(40)	(1,208)	(1,267)	(34)	(1,301)
	Net return before finance costs and taxation	14,761	(54,789)	(40,028)	16,270	54,202	70,472
6	Finance costs	(378)	(1,133)	(1,511)	(391)	(1,172)	(1,563)
	Net return on ordinary activities before taxation	14,383	(55,922)	(41,539)	15,879	53,030	68,909
7	Taxation on ordinary activities	(1,040)	–	(1,040)	(1,319)	–	(1,319)
	Net return attributable to equity shareholders	13,343	(55,922)	(42,579)	14,560	53,030	67,590
8	**Return per share (basic and diluted) – pence**	2.84	(11.90)	(9.06)	2.84	10.33	13.17

The total column of this statement is the profit and loss account of the Company.

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

A statement of total comprehensive income is not required as all income and expenses of the Company have been reflected in the above statement.

The notes on pages 79 to 94 form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 30 April 2025

Notes		Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance at 30 April 2024	**15,513**	**212,639**	**16,158**	**605,607**	**20,145**	**870,062**
	Movements during the year ended 30 April 2025						
9	Dividends paid	**–**	**–**	**–**	**–**	**(13,536)**	**(13,536)**
15	Shares repurchased by the Company and held in treasury	**–**	**–**	**–**	**(77,132)**	**–**	**(77,132)**
	Net return attributable to equity shareholders	**–**	**–**	**–**	**(55,922)**	**13,343**	**(42,579)**
	Balance at 30 April 2025	**15,513**	**212,639**	**16,158**	**472,553**	**19,952**	**736,815**

for the year ended 30 April 2024

Notes		Share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance at 30 April 2023	15,513	212,639	16,158	597,354	17,771	859,435
	Movements during the year ended 30 April 2024						
9	Dividends paid	–	–	–	–	(12,186)	(12,186)
	Shares repurchased by the Company and held in treasury	–	–	–	(44,777)	–	(44,777)
	Net return attributable to equity shareholders	–	–	–	53,030	14,560	67,590
	Balance at 30 April 2024	**15,513**	**212,639**	**16,158**	**605,607**	**20,145**	**870,062**

The notes on pages 79 to 94 form an integral part of the financial statements.

Balance Sheet

Notes		At 30 April 2025 £'000s	At 30 April 2024 £'000s
	Fixed assets		
10	Investments	774,733	910,498
	Current assets		
11	Debtors	3,685	6,446
21	Cash at bank and in hand	12,490	11,021
	Total current assets	16,175	17,467
	Creditors: amounts falling due within one year		
12, 21	Bank loans	(16,050)	(16,463)
13	Creditors	(3,043)	(6,440)
	Total current liabilities	(19,093)	(22,903)
	Net current liabilities	(2,918)	(5,436)
	Total assets less current liabilities	771,815	905,062
	Creditors: amounts falling due after more than one year		
14, 21	Loan notes	(35,000)	(35,000)
	Net assets	736,815	870,062
	Capital and reserves		
15	Share capital	15,513	15,513
16	Share premium account	212,639	212,639
17	Capital redemption reserve	16,158	16,158
18	Capital reserves	472,553	605,607
18	Revenue reserve	19,952	20,145
	Total shareholders' funds	736,815	870,062
19	**Net asset value per share (debt at par value) – pence**	164.67	175.88

The notes on pages 79 to 94 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 30 June 2025 and signed on its behalf by

Anja Balfour, Chairman

Statement of Cash Flows

Notes		For the year ended 30 April 2025 £'000s	For the year ended 30 April 2024 £'000s
20	**Cash flows used in operating activities before dividends received and interest paid**	**(6,500)**	(6,550)
	Dividends received	**18,262**	17,270
	Interest received	**349**	528
	Interest paid	**(1,516)**	(1,593)
	Cash inflows from operating activities	**10,595**	9,655
	Investing activities		
	Purchases of investments	**(310,330)**	(147,474)
	Sales of investments	**393,096**	202,370
	Cash inflows from investing activities	**82,766**	54,896
		93,361	64,551
	Financing activities		
	Ordinary dividends paid	**(13,536)**	(12,186)
	Cash flows from share buy-backs for treasury shares	**(78,318)**	(43,397)
	Cash outflows from financing activities	**(91,854)**	(55,583)
21	Net movement in cash at bank and in hand	**1,507**	8,968
	Cash at bank and in hand at the beginning of the year	**11,021**	2,292
21	Effect of movement in foreign exchange	**(38)**	(239)
	Cash at bank and in hand at the end of the year	**12,490**	11,021
	Represented by:		
	Cash at bank	**3,740**	613
	Short-term deposits less than 3 months	**8,750**	10,408
	Cash at bank and in hand at the end of the year	**12,490**	11,021

The notes on pages 79 to 94 form an integral part of the financial statements.

Notes to the Financial Statements

1. General information

The Global Smaller Companies Trust PLC is a public company limited by shares incorporated in England and Wales, listed on the London Stock Exchange. The Company is an investment company within the meaning of section 833 of the Companies Act 2006 and carries on business as an investment trust. The Company registration number is 28264 and the registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AG, England.

The Company has conducted its affairs so as to qualify as an investment trust under the provisions of Section 1158 of the Corporation Tax Act 2010. Approval of the Company under Section 1158 has been received. The Company intends to conduct its affairs so as to enable it to continue to comply with the requirements. Such approval exempts the Company from UK Corporation Tax on gains realised in the relevant year on its portfolio of fixed asset investments.

There have been no significant changes to the Company's accounting policies during the year ended 30 April 2025, as set out in note 2 below.

2. Significant accounting policies

(a) Going concern

The Company's investment objective, strategy and policy are subject to a process of regular Board monitoring and are designed to ensure that the Company is invested mainly in readily realisable, listed securities and that the level of borrowings is restricted. The Company retains title to all assets held by the Custodian and agreements cover its borrowing facilities. Cash is held with banks approved and regularly reviewed by the Manager.

The Company has net current liabilities shown on the Balance Sheet but this has no effect on its ability to continue on a going concern basis as the value of its investments, which are readily realisable, exceeds the Company's liabilities by a significant margin.

The Directors believe that: the Company's objective and policy continue to be relevant to investors; the Company operates within a robust regulatory environment; and the Company has sufficient resources to continue operating within its stated policy for the 12 month period commencing from the date of this report. Accordingly, the financial statements have been drawn up on the basis that the Company is a going concern for the reasons set out above as well as on pages 40 and 41.

(b) Basis of accounting

The financial statements of the Company have been prepared on a going concern basis under the historical cost convention, modified to include fixed asset investments at fair value, and in accordance with the Companies Act 2006, Financial Reporting Standard (FRS) 102 applicable in the United Kingdom and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') issued in July 2022.

The functional and presentation currency of the Company is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

In accordance with the SORP, the Income Statement has been analysed between a revenue account (dealing with items of a revenue nature) and a capital account (relating to items of a capital nature). Revenue returns include, but are not limited to, dividend income and operating expenses and tax (insofar as the expenses and tax are not allocated to capital, as described in note 2(c) below). Net revenue returns are allocated via the revenue account to the revenue reserve, out of which interim and final dividend payments are made. Capital returns include, but are not limited to, realised and unrealised profits and losses on fixed asset investments and currency profits and losses on cash and borrowings. Following approval at the 2020 AGM, the Company's Articles of Association no longer prohibit the distribution of realised capital profits by way of dividend. Such returns are allocated via the capital account to the capital reserves. Dividends paid to equity shareholders are shown in the Statement of Changes in Equity.

(c) Principal accounting policies

The policies set out below have been applied consistently throughout the year.

(i) Financial instruments

Financial instruments include fixed asset investments, long-term and short-term debt instruments, cash and short-term deposits, debtors and creditors. Accounting standards recognise a hierarchy of fair value measurements for financial instruments measured at fair value on the Balance Sheet which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the Company can access at the measurement date.

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

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

(ii) Fixed asset investments

As an investment trust, the Company measures its fixed asset investments at ‘fair value through profit or loss’ and treats all transactions on the realisation and revaluation of investments as transactions on the capital account. All purchases and sales are accounted for on a trade date basis.

Quoted investments are valued at bid value at the close of business on the relevant date on the exchange on which the investment is quoted. Investments which are not quoted or which are not frequently traded are stated at Directors’ best estimate of fair value. In arriving at their estimate, the Directors make use of recognised valuation techniques and may take account of recent arm’s length transactions in the same or similar investment instruments.

(iii) Debt instruments

Interest-bearing loans and overdrafts are recorded initially at the proceeds received, net of issue costs, irrespective of the duration of the instrument and measured at amortised cost. No debt instruments held during the year required hierarchical classification.

The fair value of the borrowings are set out in notes 12 and 14.

Finance charges, including interest, are accrued using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period. See (vi) on next page for allocation of finance charges within the Income Statement.

(iv) Foreign currency

Monetary assets, monetary liabilities and equity investments denominated in a foreign currency are expressed in sterling at rates of exchange ruling at the balance sheet date. Purchases and sales of investment securities, dividend income, interest income and expenses are translated at the rates of exchange prevailing at the respective dates of such transactions.

Foreign exchange profits and losses on fixed asset investments are included within the changes in fair value in the capital account. Foreign exchange profits and losses on other currency balances are separately credited or charged to the capital account except where they relate to revenue items when they are credited or charged to the revenue account.

(v) Income

Income from equity shares is brought into the revenue account (except where, in the opinion of the Directors, its nature indicates it should be recognised within the capital account) on the ex-dividend date or, where no ex-dividend date is quoted, when the Company's right to receive payment is established. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the investment.

Dividends are accounted for in accordance with FRS 102 on the basis of income actually receivable, without adjustment for the tax credit attaching to the dividends. Dividends from overseas companies are shown gross of withholding tax.

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

Underwriting commission is recognised when the Company's right to receive payment is established. Deposit interest is accounted for on an accruals basis.

(vi) Expenses, including finance charges

Expenses are charged to the revenue account of the Income Statement, except as noted below:

– expenses which are incidental to the acquisition or disposal of fixed asset investments are recognised immediately in the capital return of the income statement and are thus charged to capital reserve – arising on investments sold or held via the capital account;
– 75% of management fees and 75% of finance costs are allocated to capital reserve – arising on investments sold via the capital account, in accordance with the Board's long-term expected split of returns from the investment portfolio of the Company.
– all expenses are accounted for on an accruals basis.

(vii) Taxation

Taxation currently payable is calculated using tax rules and rates in force at the year end, based on taxable profit for the year, which differs from the net return before tax. Note 7(b) sets out those items which are not subject to UK Corporation Tax.

Deferred tax is provided on an undiscounted basis on all timing differences that have originated but not reversed by the balance sheet date, based on the tax rates that have been enacted at the balance sheet date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of timing differences can be deducted. In line with the recommendations of the SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the 'marginal' basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

(viii) Dividends payable

Dividends are included in the financial statements on the date on which they are paid or, in the case of final dividends, when they are approved by shareholders.

(ix) Share premium

The surplus of net proceeds received from the issue of new ordinary shares over the nominal value of such shares, less any directly attributable costs in relation to that share issue, is credited to this account which is non-distributable. The nominal value of the shares issued is recognised in share capital.

(x) Capital redemption reserve

The nominal value of ordinary share capital purchased and cancelled is transferred out of called-up share capital and into the capital redemption reserve, which is a non-distributable reserve, on the trade date.

(xi) Capital reserves

These are distributable reserves which may be utilised for the repurchase of share capital. Following approval at the 2020 AGM, the Company's Articles of Association no longer prohibit the distribution of realised capital profits by way of dividend.

Capital reserve – arising on investments sold

The following are accounted for in this reserve:

- 75% of management fees and finance costs as set out in note 2(c)(vi);
- gains and losses on the realisation of fixed asset investments and derivative financial instruments;
- foreign exchange differences of a capital nature;
- costs of professional advice, including related irrecoverable VAT, relating to the capital structure of the Company;
- other capital charges and credits charged or credited to this account in accordance with the above policies; and
- costs of purchasing ordinary share capital.

Capital reserve – arising on investments held

The following are accounted for in this reserve:

- increases and decreases in the valuation of fixed asset investments held at the year end.

(xii) Use of judgements, estimates and assumptions

The presentation of the financial statements in accordance with accounting standards requires the Board to make judgements, estimates and assumptions that affect the accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on perceived risks, historical experience, expectations of plausible future events and other factors. Actual results may differ from these estimates.

The areas requiring the most significant judgement in the preparation of the financial statements are recognising and classifying unusual or special dividends received as either revenue or capital in nature.

There are no significant estimates used in preparation of these financial statements.

Dividends received which appear to be unusual in size or circumstance are assessed on a case-by-case basis, based on interpretation of the investee companies' relevant statements, in order to make a judgement to determine their allocation in accordance with the SORP to either the Revenue Account or Capital Reserves. Dividends which have clearly arisen out of the investee company's reconstruction or reorganisation are usually considered to be capital in nature and allocated to Capital Reserves. Investee company dividends which appear to be paid in excess of current year profits will still be considered as revenue in nature unless evidence suggests otherwise. The value of dividends received in the year treated as capital in nature, as disclosed in notes 3 and 18 to the financial statements, was not material in relation to capital reserves or the revenue account. The value of special dividends receivable in any period cannot be foreseen as such dividends are declared and paid by investee companies and funds without prior reference to the Company.

3. Income

	2025 £'000s	2024 £'000s
Income from investments		
Dividends from quoted investments	**15,979**	16,597
Special dividends[1]	**298**	1,137
	16,277	17,734
Other Income		
Management fee rebates from collective investment schemes	**405**	335
Interest on cash and short-term deposits	**349**	528
	754	863
Total income recognised as revenue	**17,031**	18,597
Special dividends recognised as capital[2]	**1,660**	–
Total income	**18,691**	18,597

(1) Special dividends classified as revenue in nature in accordance with note 2(c)(xii).

(2) Special dividends classified as capital in nature in accordance with note 2(c)(xii).

4. Management fees

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Management fee	**1,046**	**3,138**	**4,184**	1,050	3,148	4,198

The Manager, Columbia Threadneedle Investment Business Limited, provides investment management, marketing and general administrative services to the Company. With effect from 1 May 2023, net assets, after deduction of third party collective investment schemes, in excess of £750m are charged a management fee at a rate of 0.5% per annum and net assets less than £750m are charged at an amount equal to 0.55% per annum. Investments made by the Company in third party collective investment schemes are subject to a management fee, payable monthly in arrears to the Manager, of 0.275% per annum of the month end market value of those investments.

The management agreement may be terminated upon six months' notice given by either party.

The fees have been allocated 75% to capital reserve in accordance with accounting policies.

5. Other expenses

	2025 £'000s	2024 £'000s
Other revenue expenses		
Auditor's remuneration:		
Audit services(1)	**56**	51
Directors' fees for services to the Company(2)	**210**	196
Marketing	**245**	266
Printing and postage	**111**	110
Custody fees	**47**	46
Depositary fees	**95**	91
Professional fees	**27**	95
Loan commitment and arrangement fees(3)	**110**	100
Sundry expenses	**267**	312
Total other revenue expenses	**1,168**	1,267
Capital expenses	**40**	34
Total other expenses	**1,208**	1,301

All expenses are stated gross of irrecoverable VAT, where applicable.
(1) Auditor's remuneration payable to BDO for the audit of the Company's financial statements, exclusive of VAT, amounts to £49,350 (2024: £47,000). No non-audit services were provided during the year (2024: none).
(2) See the Directors' Remuneration Report on page 67.
(3) Under its loan facility agreement (see note 12) the Company pays commitment fees on any undrawn portions of the facility.

6. Finance costs

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Loan interest	**378**	**1,133**	**1,511**	391	1,172	1,563
Total finance costs	**378**	**1,133**	**1,511**	391	1,172	1,563

Finance costs have been allocated 75% to capital reserve in accordance with accounting policies.

7. Taxation on ordinary activities

(a) Analysis of tax charge for the year

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Corporation tax payable at 25% (2024: 25%)	**–**	**–**	**–**	–	–	–
Overseas taxation	**1,040**	**–**	**1,040**	1,319	–	1,319
Total tax charge for the year (note 7(b)) on ordinary activities	**1,040**	**–**	**1,040**	1,319	–	1,319

The tax assessed is lower than the standard rate of Corporate Tax in the UK (2024: lower).

(b) Factors affecting the current tax charge for the year

	Revenue £'000s	Capital £'000s	2025 Total £'000s	Revenue £'000s	Capital £'000s	2024 Total £'000s
Net return on ordinary activities before taxation	14,383	(55,922)	(41,539)	15,879	53,030	68,909
Return on ordinary activities multiplied by the standard rate of corporation tax of 25% (2024: 25%)	3,596	(13,981)	(10,385)	3,970	13,257	17,227
Effects of:						
Dividends*	(3,753)	–	(3,753)	(4,131)	–	(4,131)
Expenses not deductible for tax purposes	31	–	31	33	–	33
Overseas tax in excess of double taxation relief	1,040	–	1,040	1,319	–	1,319
Expenses not utilised in the year	126	1,078	1,204	128	1,089	1,217
Capital returns*	–	12,903	12,903	–	(14,346)	(14,346)
Total tax charge for the year (note 7(a))	1,040	–	1,040	1,319	–	1,319

* The Company is not subject to corporation tax on capital gains or on dividend income. It therefore has unutilised expenses of £81.4m (2024: £76.6m). This results in a deferred tax asset of £20.3m (2024: £19.1m). This asset has not been recognised as the Directors believe it is unlikely that the Company will have sufficient taxable profits in future to utilise it. Of this amount £19.5m (2024: £19.0m) relates to revenue expenses and £61.9m (2024: £57.6m) to capital expenses.

8. Return per ordinary share

Earnings for the purpose of basic earnings per share is the profit/loss for the year attributable to ordinary shareholders and based on the following data.

	Revenue	Capital	2025 Total	Revenue	Capital	2024 Total
Net return attributable to equity shareholders – £'000s	13,343	(55,922)	(42,579)	14,560	53,030	67,590
Return per share – pence	2.84	(11.90)	(9.06)	2.84	10.33	13.17

Both the revenue and capital returns per share are based on a weighted average of 469,806,386 ordinary shares in issue during the year (2024: 513,545,620).

9. Dividends

Dividends on ordinary shares	Register date	Payment date	2025 £'000s	2024 £'000s
Final for the year ended 30 April 2023 of 1.67 pence	7 July 2023	4 August 2023	–	8,714
Interim for the year ended 30 April 2024 of 0.68 pence	29 December 2023	25 January 2024	–	3,472
Final for the year ended 30 April 2024 of 2.13 pence	12 July 2024	20 August 2024	10,304	–
Interim for the year ended 30 April 2025 of 0.70 pence	27 December 2024	23 January 2025	3,232	–
			13,536	12,186

The Directors have proposed a final dividend in respect of the year ended 30 April 2025 of 2.30 pence per share, payable on 20 August 2025 to all shareholders on the register at close of business on 11 July 2025. The recommended final dividend is subject to approval by shareholders at the Annual General Meeting.

The attributable revenue and the dividends paid and proposed in respect of the financial year ended 30 April 2025 for the purposes of the income retention test for Section 1159 of the Income and Corporation Tax Act 2010, are set out below:

	2025 £'000s
Revenue attributable to equity shareholders	13,343
Interim for the year ended 30 April 2025 of 0.70 pence	(3,232)
Proposed final for the year ended 30 April 2025 of 2.30 pence(1)	(10,211)
Amount transferred from revenue reserve for Section 1159 purposes (2)	(100)

(1) Based on 443,944,341 shares in issue at 26 June 2025.
(2) Represents minus 0.6% of total income recognised as revenue of £17,031,000 (see note 3)(2024: +3.8%).

10. Investments

	Level 1* £'000s	Level 3* £'000s	2025 Total £'000s	Level 1* £'000s	Level 3* £'000s	2024 Total £'000s
Cost brought forward	**717,268**	**–**	**717,268**	757,263	304	757,567
Gains/(losses) brought forward	**193,230**	**–**	**193,230**	144,994	(211)	144,783
Valuation brought forward	**910,498**	**-**	**910,498**	902,257	93	902,350
Movements in the year:						
Purchases at cost	**307,819**	**–**	**307,819**	148,564	–	148,564
Sales proceeds	**(390,743)**	**–**	**(390,743)**	(197,691)	(54)	(197,745)
Gains/(losses) on investments sold in year	**31,392**	**–**	**31,392**	9,132	(250)	8,882
(Losses)/gains on investments held at year end	**(84,233)**	**–**	**(84,233)**	48,236	211	48,447
Fair value of investments at 30 April	**774,733**	**–**	**774,733**	910,498	–	910,498
Analysed at 30 April						
Cost at 30 April	**665,736**	**–**	**665,736**	717,268	–	717,268
Gains at 30 April	**108,997**	**–**	**108,997**	193,230	–	193,230
Fair value of investments at 30 April	**774,733**	**–**	**774,733**	910,498	–	910,498

Investments sold during the year have been revalued over time since their original purchase, and until they were sold any unrealised gains/losses were included in the fair value of the investments.
* The hierarchy of investments is described in note 2(c)(i) and below. No investments held in 2025 or 2024 were valued in accordance with Level 2.

Level 1 includes investments listed on any recognised stock exchange or quoted on AIM in the UK.
Level 2 includes investments for which the quoted price has been suspended.
Level 3 includes unquoted investments, which are held at Directors' valuation.
The level 3 investment in the prior year consisted of the holding in The Australian New Horizons Fund. This was fully liquidated in the year to 30 April 2024.

A full list of investments is set out on pages 30 to 33.

(Losses)/gains on investments

	2025 £'000s	2024 £'000s
Gains on investments sold during the year	**31,392**	8,882
(Losses)/gains on investments held at year end	**(84,233)**	48,447
Transaction costs	**(861)**	(280)
Total (losses)/gains on investments	**(53,702)**	57,049

11. Debtors

	2025 £'000s	2024 £'000s
Investment debtors	**1,016**	3,369
Overseas taxation recoverable	**454**	549
Prepayments and accrued income	**2,215**	2,528
	3,685	6,446

12. Creditors: amounts falling due within one year

Bank loans Non-instalment debt payable on demand or within one year	2025 £'000s	2024 £'000s
EUR 6.8 million repayable May 2025	5,787	–
JPY 557.5 million repayable May 2025	2,926	–
USD 9.8 million repayable May 2025	7,337	–
EUR 6.8 million repayable May 2024	–	5,807
JPY 557.5 million repayable May 2024	–	2,829
USD 9.8 million repayable May 2024	–	7,827
	16,050	16,463

In September 2024 the Company extended the maturity date of its £35m revolving credit facility with The Royal Bank of Scotland International Limited to 13 September 2025. As at 30 April 2025 EUR6.8m, JPY557.5m and USD9.8m were drawn down for the period to 22 May 2025. The interest rate on the amounts drawn down are based on the commercial terms agreed with the bank. Commitment fees are payable on undrawn amounts at commercial rates. The Directors consider that the carrying value of the loan is equivalent to its fair value. No overdraft was outstanding at the year end.

13. Creditors: amounts falling due within one year

	2025 £'000s	2024 £'000s
Investment creditors	1,472	3,982
Interest accrued on bank loans	190	195
Share buy-backs outstanding	453	1,639
Management fee accrued	631	355
Accruals and deferred income	297	269
	3,043	6,440

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

Loan notes	2025 £'000s	2024 £'000s
Loan notes £35 million repayable August 2039	35,000	35,000

In August 2019 the Company issued fixed rate 2.26% senior unsecured notes of £35 million sterling denominated loan notes expiring in August 2039. The fair value of the long-term loan at 30 April 2025 was £24,342,000 (2024: £24,145,000) based on the equivalent reference benchmark gilt.

15. Share capital

Equity share capital	Shares held in treasury Number	Shares entitled to dividend Number	Total shares in issue Number	Issued and fully paid nominal £'000s
Ordinary shares of 2.5p each				
Balance at 30 April 2024	125,835,954	494,697,816	620,533,770	15,513
Shares repurchased by the Company and held in treasury	47,254,387	(47,254,387)	–	–
Balance at 30 April 2025	173,090,341	447,443,429	620,533,770	15,513

During the year, 47,254,387 ordinary shares of 2.5p each were repurchased and held in treasury, incurring a cost of £77,132,000. Since the year end, and up to 26 June 2025, a further 3,499,088 ordinary shares have been repurchased and held in treasury.

16. Share premium account

	2025 £'000s	2024 £'000s
Balance brought forward and carried forward	**212,639**	212,639

17. Capital redemption reserve

	2025 £'000s	2024 £'000s
Balance brought forward and carried forward	**16,158**	16,158

18. Other reserves

	Capital reserve arising on investments sold £'000s	Capital reserve arising on investments held £'000s	Capital reserves – total £'000s	Revenue reserve £'000s
Movements in the year				
Gains on investments sold in year (see note 10)	31,392	–	31,392	–
Losses on investments held at year end (see note 10)	–	(84,233)	(84,233)	–
Transaction costs	(861)	–	(861)	–
Dividends charged to capital	1,660	–	1,660	–
Foreign exchange gains	431	–	431	–
Repurchase of shares	(77,132)	–	(77,132)	–
Management fee charged to capital (see note 4)	(3,138)	–	(3,138)	–
Other expenses charged to capital (see note 5)	(40)	–	(40)	–
Finance costs charged to capital (see note 6)	(1,133)	–	(1,133)	–
Net revenue after tax for the year	–	–	–	13,343
Net return attributable to ordinary shareholders	(48,821)	(84,233)	(133,054)	13,343
Dividends paid in the year (see note 9)	–	–	–	(13,536)
	(48,821)	(84,233)	(133,054)	(193)
Balance brought forward	412,377	193,230	605,607	20,145
Balance carried forward	363,556	108,997	472,553	19,952

Included within the capital reserve movement for the year are £708,000 (2024: £188,000) of transaction costs on purchases of investments, £153,000 (2024: £92,000) of transaction costs on sales of investments and £1,660,000 (2024: £nil) of distributions received recognised as capital.

19. Net asset value per ordinary share

	2025	2024
Basic with debt at par value		
Net assets attributable at the year end – £'000s	**736,815**	870,062
Number of ordinary shares in issue at the year end, excluding shares held in treasury	**447,443,429**	494,697,816
Net asset value per share – pence	**164.67**	175.88

	2025	2024
Basic with debt at fair value		
Net assets attributable at the year end – £'000s	**736,815**	870,062
Add back: Debt at par – £'000s	**51,050**	51,463
Deduct: Debt at fair value (see notes 12 and 14) – £'000s	**(40,392)**	(40,608)
Net assets with debt at fair value – £'000s	**747,473**	880,917
Number of ordinary shares in issue at the year end, excluding shares held in treasury	**447,443,429**	494,697,816
Net asset value per share – pence	**167.05**	178.07

20. Reconciliation of total return before finance costs and taxation to net cash flows from operating activities

	2025 £'000s	2024 £'000s
Net return on ordinary activities before taxation	(41,539)	68,909
Adjustments for returns from non-operating activities		
Losses/(gains) on investments	53,702	(57,049)
Foreign exchange gains	(375)	(325)
Non-operating expenses of a capital nature	40	34
Return from operating activities	11,828	11,569
Adjustments for non-cash flow items, dividend income and interest expense		
Increase in prepayments and accrued income	(35)	(14)
Increase in creditors	300	101
Dividends receivable	(17,937)	(17,734)
Interest received	(349)	(528)
Interest payable	1,511	1,563
Overseas taxation	(920)	(1,193)
Transaction costs	(861)	(280)
Other capital charges	(37)	(34)
Cash used in operating activities before dividends received and interest paid	(6,500)	(6,550)

21. Analysis of changes in net debt

	Cash £'000s	Bank loans £'000s	Loan notes £'000s	Total £'000s
Opening net debt at 30 April 2024	11,021	(16,463)	(35,000)	(40,442)
Cash-flows:				
Net movement in cash and cash equivalents	1,507	–	–	1,507
Non-cash:				
Effect of foreign exchange movements	(38)	413	–	375
Closing net debt at 30 April 2025	12,490	(16,050)	(35,000)	(38,560)

22. Transactions with related parties and the Manager

The Board of Directors is defined as a related party. Under the FCA UK Listing Rules, the Manager is also defined as a related party. However, the existence of an independent Board of Directors demonstrates that the Company is free to pursue its own financial and operating policies and therefore, under the Investment Trust SORP issued by the AIC, in accordance with which these financial statements are prepared, the Manager is not considered to be a related party for accounting purposes.

There are no transactions with the Board, who are the key management personnel of the Company, other than: aggregated remuneration for services as Directors as disclosed in the Remuneration Report on page 67, and as set out in note 5; and the beneficial interests of the Directors in the ordinary shares of the Company as disclosed on page 66. There are no outstanding balances with the Board at the year end. There were no transactions with the Ameriprise Group other than those detailed in note 4 on management fees, note 10, where investments managed by Columbia Threadneedle Investments are disclosed and note 13, where accrued management fees are disclosed.

23. Financial Risk Management

The Company is an investment company, listed on the London Stock Exchange, and conducts its affairs so as to qualify in the United Kingdom (UK) as an investment trust under the provisions of Section 1158. In so qualifying, the Company is exempted in the UK from corporation tax on capital gains on its portfolio of fixed asset investments.

The Company invests in smaller companies worldwide in order to secure a high total return. In pursuing the objective, the Company is exposed to financial risks which could result in a reduction of either or both of the value of the net assets and the profits available for distribution by way of dividend. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit. The Board, together with the Manager, is responsible for the Company's risk management. The Directors' policies and processes for managing the financial risks are set out in (a), (b) and (c) below.

The accounting policies which govern the reported Balance Sheet carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 2 to the financial statements. The policies are in compliance with UK accounting standards and include the valuation of financial assets and liabilities at fair value, except as noted in (d) below. The Company does not make use of hedge accounting rules.

(a) Market risks

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Board sets policies for managing these risks within the Company's objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Manager assesses exposure to market risks when making each investment decision and monitors ongoing market risk within the portfolio.

The Company's other assets and liabilities may be denominated in currencies other than sterling and may also be exposed to interest rate risks. The Manager and the Board regularly monitor these risks. The Company aims to be fully invested, only holding cash to cater for short-term trading and business requirements. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates. Gearing may be short or long-term, in sterling and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility.

The Board regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency Exposure

The principal currencies to which the Company was exposed, and the relevant exchange rates against sterling, are analysed below:

		2025		2024
	At 30 April 2025	Average for the year	At 30 April 2024	Average for the year
US dollar	1.3357	1.2821	1.2522	1.2577
Euro	1.1750	1.1902	1.1711	1.1614

Based on the financial assets and liabilities held and the exchange rates applying at the balance sheet date, a weakening or strengthening of sterling against each of the principal currencies by 10% would have the following approximate effect on returns attributable to equity shareholders and on the net asset value ('NAV') per share:

Weakening of sterling by 10%

		2025		2024
	US$ £'000s	€ £'000s	US$ £'000s	€ £'000s
Net revenue return attributable to equity shareholders	524	167	519	149
Net capital return attributable to equity shareholders	42,286	5,205	47,479	5,755
Net total return attributable to equity shareholders	42,810	5,372	47,998	5,904
Net asset value per share (basic) – pence	9.57	1.20	9.70	1.19

Strengthening of sterling by 10%

	2025		2024	
	US$ £'000s	€ £'000s	US$ £'000s	€ £'000s
Net revenue return attributable to equity shareholders	(428)	(137)	(424)	(122)
Net capital return attributable to equity shareholders	(34,597)	(4,258)	(38,847)	(4,709)
Net total return attributable to equity shareholders	(35,025)	(4,395)	(39,271)	(4,831)
Net asset value per share (basic) – pence	(7.83)	(0.98)	(7.94)	(0.98)

These analyses are presented in sterling and are representative of the Company's activities although the level of the Company's exposure to currencies fluctuates in accordance with the investment and risk management processes. This level of change is considered to be a reasonable illustration based on observation of current market conditions.

The fair values of the Company's assets and liabilities at 30 April by currency are shown below:

2025	Short-term debtors £'000s	Cash at bank and short-term deposits £'000s	Short-term creditors £'000s	Loan notes £'000s	Unsecured Loans £'000s	Net monetary (liabilities)/ assets £'000s	Investments £'000s	Net exposure £'000s
Sterling	3,037	6,058	(2,741)	(35,000)	–	(28,646)	208,554	179,908
US dollar	–	2,808	–	–	(7,337)	(4,529)	385,099	380,570
Euro	648	2,693	–	–	(5,787)	(2,446)	49,288	46,842
Other	–	931	(302)	–	(2,926)	(2,297)	131,792	129,495
Total	3,685	12,490	(3,043)	(35,000)	(16,050)	(37,918)	774,733	736,815

2024	Short-term debtors £'000s	Cash at bank and short-term deposits £'000s	Short-term creditors £'000s	Loan notes £'000s	Unsecured Loans £'000s	Net monetary (liabilities)/ assets £'000s	Investments £'000s	Net exposure £'000s
Sterling	2,527	1,423	(3,170)	(35,000)	–	(34,220)	325,243	291,023
US dollar	–	9,149	(3,270)	–	(7,827)	(1,948)	429,260	427,312
Euro	1,714	176	–	–	(5,807)	(3,917)	55,712	51,795
Other	2,205	273	–	–	(2,829)	(351)	100,283	99,932
Total	6,446	11,021	(6,440)	(35,000)	(16,463)	(40,436)	910,498	870,062

Interest rate exposure

The exposure of the financial assets and liabilities to interest rate movements at 30 April were:

	Within one year £'000s	More than one year £'000s	2025 Net Total £'000s	Within one year £'000s	More than one year £'000s	2024 Net Total £'000s
Exposure to floating rates – cash	12,490	–	12,490	11,021	–	11,021
Exposure to fixed rates – loans	(16,050)	(35,000)	(51,050)	(16,463)	(35,000)	(51,463)
Net exposure	(3,560)	(35,000)	(38,560)	(5,442)	(35,000)	(40,442)

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company arising out of the investment and risk management processes.

Interest received on cash balances, or paid on bank overdrafts and borrowings, is at ruling market rates. The interest rate applied on the loans is set out in notes 12 and 14. There were no holdings in fixed interest investment securities during the year or at the year end.

The Company's total returns and net assets are sensitive to changes in interest rates on cash and borrowings.

Based on the financial assets and liabilities held, and the interest rates ruling, at each balance sheet date, a decrease or increase in interest rates of 2% would have the following approximate effects on the income statement revenue and capital returns after tax and on the NAV:

	2025 Increase in rate £'000s	2025 Decrease in rate £'000s	2024 Increase in rate £'000s	2024 Decrease in rate £'000s
Revenue return	250	(250)	220	(220)
Capital return	–	–	–	–
Total return	250	(250)	220	(220)
NAV per share – pence	0.06	(0.06)	0.04	(0.04)

The calculations in the table above which are based on the financial assets and liabilities held at each balance sheet date, are not representative of the year as a whole, nor are they reflective of future market conditions.

Other market risk exposures

The Company did not enter into derivative transactions in managing its exposure to other market risks (2024: same). The portfolio of investments, valued at £774,733,000 at 30 April 2025 (2024: £910,498,000) is therefore exposed to market price changes. The Manager assesses these exposures at the time of making each investment decision. The Board reviews overall exposures at each meeting against indices and other relevant information. An analysis of the portfolio by geographical region and major industrial sector is set out on page 22.

Based on the portfolio of investments held at each balance sheet date, and assuming other factors remain constant, a decrease or increase in the fair values of the portfolio by 20% would have had the following approximate effects on the net capital return attributable to equity shareholders and on the NAV:

	2025 Increase in value £'000s	2025 Decrease in value £'000s	2024 Increase in value £'000s	2024 Decrease in value £'000s
Capital return	154,947	(154,947)	182,100	(182,100)
NAV per share – pence	34.63	(34.63)	36.81	(36.81)

This level of change is considered to be a reasonable illustration based on observation of current market conditions.

(b) Liquidity risk exposure

The Company is required to raise funds to meet commitments associated with financial instruments and share buy-backs. These funds may be raised either through the realisation of assets or through increased borrowing. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given: the large number of quoted investments held in the Company's portfolio, 196 at 30 April 2025 (2024: 213); the liquid nature of the portfolio of investments; and the industrial and geographical diversity of the portfolio. Cash balances are held with reputable banks, usually on overnight deposit. The Company does not normally invest in derivative products. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

The Company has a £35 million unsecured revolving floating rate credit facility available until September 2025. In August 2019 the Company issued senior unsecured notes of £35 million which expire in August 2039.

The remaining contractual maturities of the financial liabilities at each balance sheet date, based on the earliest date on which payment can be required, were as follows:

2025	Three months or less £'000s	More than three months but less than one year £'000s	More than one year £'000s	Total £'000s
Current liabilities:				
Creditors	2,853	–	–	2,853
Loans	16,050	–	–	16,050
Interest payable on Loans	51	–	–	51
Loan notes	–	–	35,000	35,000
Interest payable on Loan notes	–	791	10,679	11,470
	18,954	791	45,679	65,424
2024				
Current liabilities:				
Creditors	6,245	–	–	6,245
Loans	16,463	–	–	16,463
Interest payable on Loan notes	66	–	–	66
Loan notes	–	–	35,000	35,000
Interest payable on Loan notes	–	791	11,470	12,261
	22,774	791	46,470	70,035

(c) Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. Such transactions must be settled on the basis of delivery against payment (except where local market conditions do not permit).

Responsibility for the approval, limit setting and monitoring of counterparties is delegated to the Manager. Counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. The rate of default in the past has been negligible. Cash and deposits are held with reputable banks.

The Company has an ongoing contract with its Custodian for the provision of custody services. Details of securities held in custody on behalf of the Company are received and reconciled monthly. The Custodian has a lien over the securities in the account, enabling it to sell or otherwise realise the securities in satisfaction of charges due under the agreement. The Depositary has regulatory responsibilities relating to segregation and safekeeping of the Company's financial assets, amongst other duties, as set out in the Directors' Report. The Board has direct access to the Depositary and receives regular reports from it via the Manager.

To the extent that the Manager carries out management and administrative duties (or causes similar duties to be carried out by third parties) on the Company's behalf, the Company is exposed to counterparty risk. The Board assesses this risk continuously through regular meetings with the Manager (including the Lead Manager) and with its Risk Management function. In reaching its conclusions, the Board also reviews the Manager's AAF Report.

The Company had no credit-rated bonds or similar securities or derivatives in its portfolio at the year end (2024: none) and does not normally invest in them. None of the Company's financial liabilities are past their due date or impaired.

(d) Fair values of financial assets and liabilities

The assets and liabilities of the Company are, in the opinion of the Directors, reflected in the Balance Sheet at fair value, or at a reasonable approximation thereof, except for the loan notes which are carried at amortised cost.

The fair value of the loan notes is set out in note 14.

The fair value of investments quoted on active markets is determined directly by reference to published price quotations in those markets. Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arm's length transactions in the same or similar investments.

(e) Capital risk management

The structure of the Company's capital is described in note 15 on page 87 and details of the Company's reserves are shown in the Statement of Changes in Equity on page 76.

The objective of the Company is stated as investing in smaller companies worldwide in order to secure a high total return. In pursuing this long-term objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to: issue and buy-back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year revenue earnings as well as out of brought forward revenue reserves and capital reserves.

The Company's objectives, policies and procedures for managing capital are unchanged from last year.

There were no breaches by the Company during the year of the financial covenants put in place in respect of the revolving credit facility provided to the Company, or in respect of the loan notes issued by the Company in August 2019.

These requirements are unchanged since last year and the Company has complied with them at all times.

24. AIFMD

In accordance with the AIFMD, information in relation to the Company's leverage and the remuneration of the Company's AIFM is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy and costs are available on the Company's website or from Columbia Threadneedle Investments on request.

The Company's maximum and actual leverage levels at 30 April 2025 and 30 April 2024 are shown below:

	30 April 2025		30 April 2024	
Leverage exposure	**Gross method**	**Commitment method**	Gross method	Commitment method
Maximum permitted limit	**200%**	**200%**	200%	200%
Actual	**107%**	**107%**	106%	106%

The Leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's articles of association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings. Further information on the AIFMD can be found on page 101.

25. Securities financing transactions ('SFT')

The Company has not, in the year to 30 April 2025 (2024: same), participated in any: repurchase transactions; securities lending or borrowing; buy-sell back transactions; margin lending transactions; or total return swap transactions (collectively called SFT). As such, it has no disclosure to make in satisfaction of the UK regulations on transparency of SFT, issued in November 2015.

26. Events after the End of the Reporting Period

There were no material events after the end of the reporting period.

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in the Company please forward this document, together with the accompanying documents, immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Notice is hereby given that the one hundred and thirty sixth Annual General Meeting of the Company will be held at Chartered Accountants' Hall, 1 Moorgate Place, London EC2R 6EA on Friday, 15 August 2025 at 12.00 noon for the following purposes:

Ordinary Resolutions:

To consider and, if thought fit, pass the following resolutions 1 to 12 as ordinary resolutions:

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 April 2025 and the reports of the directors and the auditor on those financial statements.
2. To approve the Directors' Remuneration Policy, the full text of which appears in the Directors' Remuneration Report for the financial year ended 30 April 2025 on page 65 of the Annual Report and Financial Statements for the financial year ended 30 April 2025.
3. To receive, adopt and approve the Directors' Remuneration Report for the financial year ended 30 April 2025 which appears on pages 65 to 67 of the Annual Report and Financial Statements for the financial year ended 30 April 2025 (other than the Directors' Remuneration Policy which appears on page 65 of the Annual Report and Financial Statements).
4. To declare a final dividend of 2.30 pence per ordinary share in respect of the financial year ended 30 April 2025 payable on 20 August 2025 to holders of ordinary shares on the register of members as at the close of business on 11 July 2025.
5. To re-elect Nick Bannerman as a Director.
6. To re-elect Bulbul Barrett as a Director.
7. To re-elect Randeep Grewal as a Director.
8. To elect Zoe King as a Director.
9. To re-elect Graham Oldroyd as a Director.
10. To re-appoint BDO LLP as auditor of the Company to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting of the Company.
11. To authorise the Audit and Management Engagement Committee to determine the remuneration of the Company's auditor.

12. Authority to allot shares

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the directors of the Company (the **'Directors'**) be and they are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the **'Act'**), to exercise all the powers of the Company to allot ordinary shares of 2.5 pence each in the capital of the Company (**'Shares'**) and to grant rights to subscribe for, or convert any security into, Shares (**'Rights'**), up to an aggregate nominal amount of £1,109,860.85 (representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at 26 June 2025), generally from time to time on such terms as the Directors may determine, such authority to expire at the conclusion of the annual general meeting of the Company in 2026 or on the date which is 15 months after the date on which this resolution is passed (whichever is earlier), unless previously revoked, varied or extended by the Company in a general meeting (the **'relevant period'**); save that the Company may at any time prior to the expiry of this authority make offers or enter into agreements which would or might require Shares to be allotted or Rights to be granted after the expiry of the relevant period and notwithstanding such expiry the Directors may allot Shares or grant Rights in pursuance of such offers or agreements.

Special Resolutions:

To consider and, if thought fit, pass the following resolutions 13 to 16 as special resolutions:

13. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 12 set out in the notice of the 2025 annual general meeting (**'Resolution 12'**) and in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the directors of the Company (the **'Directors'**) be and they are hereby generally and unconditionally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the **'Act'**), to allot, or make offers or agreements to allot, equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 12, and/or by way of a sale of treasury shares for cash, as if section 561(1) of the Act did not apply to any such allotment or sale, provided this power:

(a) shall be limited to the allotment of equity securities and the sale of treasury shares up to an aggregate nominal amount of £1,109,860.85 (representing approximately 10 per cent. of the issued share capital of the Company (excluding treasury shares) as at 26 June 2025); and

(b) shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution or, if earlier, on the date which is 15 months after the date on which this resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may before such expiry make offers and enter into agreements which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

14. Share buy-back authority

THAT, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the passing of this resolution, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the **'Act'**), to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of 2.5 pence each on such terms and in such manner as the directors of the Company may from time to time determine (either for cancellation or for retention as treasury shares for future re-issue, resale, transfer or cancellation) provided that:

a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 66,547,256 or, if less, the number being 14.99% of the issued ordinary share capital of the Company (excluding ordinary shares held in treasury) immediately prior to the passing of this resolution;

b) the minimum price (exclusive of expenses) which may be paid for an ordinary share purchased pursuant to this authority shall be 2.5p;

c) the maximum price (exclusive of expenses) which may be paid for an ordinary share purchased pursuant to this authority is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased, and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for such a share on the London Stock Exchange at the time the purchase is carried out;

d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held after the passing of this resolution or on the date which is 15 months after the date on which this resolution is passed (whichever is earlier), unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting; and

e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ordinary shares under such authority which will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

15. General Meeting Notice

THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

16. Cancellation of share premium account and capital redemption reserve

THAT, subject to the confirmation of the High Court (the **"Court"**) and subject also to any undertaking required by the Court: (i) the share capital of the Company be reduced by cancelling the entire amount standing to the credit of the Company's share premium account and capital redemption reserve as at the date of the final hearing before the Court at which confirmation of the said cancellation is sought; and (ii) the credit thereby arising in the Company's books of account from the cancellation of the Company's share premium account and capital redemption reserve be applied in crediting a distributable reserve (to be designated the **"Distributable Reserve"**) to be established in the Company's books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Companies Act 2006) are able to be applied.

By Order of the Board	**Registered office:**
Columbia Threadneedle Investment Business Limited	**Cannon Place**
Company Secretary	**78 Cannon Street**
30 June 2025	**London EC4N 6AG**
	Registered number: 28264

Notes:

Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by email to the following dedicated address: gscagm@columbiathreadneedle.com.

Shareholders who are not able or do not wish to attend the meeting in person will be able to watch a live webcast of the meeting and access details are set out on the Form of Proxy, Form of Direction and related Email Communications. This will include the formal business of the meeting, the Manager's presentation and questions and answers. The webcast will not enable shareholders to participate in the meeting or to vote. However, shareholders can submit questions in advance of the meeting by email to gscagm@columbiathreadneedle.com. Questions of a similar nature may be grouped together to ensure the orderly running of the AGM.

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
2. Any person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman of the meeting as his/her proxy will need to ensure that both he/she and such person complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
3. A Form of Proxy is provided with this notice for members. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact Computershare Investor Services PLC on 0370 889 4088. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours (excluding non-business days) before the time of the holding of the meeting or any adjournment thereof. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so. Amended instructions must also be received by the Company's registrars by the deadline for receipt of Forms of Proxy.
4. Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website www.eproxyappointment.com where full instructions for the procedure are given. The Control Number, Shareholder Reference and PIN as printed on the Form of Proxy will be required in order to use the electronic proxy appointment system. This website is operated by Computershare Investor Services PLC. The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Computershare Investor Services PLC not less than 48 hours (excluding non-business days) before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. If you want to appoint more than one proxy electronically please contact Computershare Investor Services PLC on 0370 889 4088.
5. Investors holding shares in the Company through the Columbia Threadneedle ISA, Lifetime ISA, Junior ISA, Child Trust Fund, General Investment Account and/or Junior Investment Account should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 12.00 noon on 7 August 2025. Alternatively, voting directions can be submitted electronically at www.eproxyappointment.com by entering the Control Number, Shareholder Reference Number and PIN as printed on the form of direction. Voting directions must be submitted electronically no later than 12.00 noon on 7 August 2025.
6. Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Act (a 'Nominated Person') should note that the provisions in notes 1, 3 and 4 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
7. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter).

The only exception to this is where the Company expressly requests a response from a Nominated Person.

8. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the Act, the Company has specified that only those members registered on the register of members of the Company at 6.30 p.m. on 13 August 2025 (the 'Specified Time') (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 6.30 p.m. on the day which is two days (excluding non-business days) prior to the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

   If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to proxymity.io. Your proxy must be lodged by 12.00 noon on Wednesday 13 August 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in notes 3 and 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (euroclear.com/CREST).
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
14. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
    a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or
    b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.
15. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
16. Any member attending the meeting has the right to ask questions. However, members should note that no answer need be given in the following circumstances:
    a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
    b) if the answer has already been given on a website in the form of an answer to a question; or

c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

17. As at 26 June 2025, being the last practicable date prior to the printing of this notice, the Company's issued share capital (excluding 176,589,429 ordinary shares held in treasury) consisted of 443,944,341 ordinary shares of 2.5 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 26 June 2025 were 443,944,341.
18. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 26 June 2025, being the latest practicable date prior to the printing of this notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available at globalsmallercompanies.co.uk.
19. Any electronic address provided either in this notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
20. Copies of the letters of appointment between the Company and its Directors; the register of Directors' holdings; and the Directors' deeds of indemnity will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the commencement of the meeting to the conclusion thereof.
21. No Director has a service agreement with the Company.
22. Under sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:
    a) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or
    b) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved or a matter may properly be included in the business unless:
    a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise),
    b) it is defamatory of any person, or
    c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 4 July 2025, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Management and Advisers

The Management Company

The Global Smaller Companies Trust PLC is managed by Columbia Threadneedle Investment Business Limited ('**CTIBL'**), a wholly-owned subsidiary of Columbia Threadneedle A M (Holdings) PLC which is ultimately owned by Ameriprise Financial, Inc. CTIBL is appointed under an investment management agreement with the Company, setting out its responsibilities for investment management, administration and marketing. It is authorised and regulated by the Financial Conduct Authority.

The Manager also acts as the Alternative Investment Fund Manager.

Nish Patel, Lead Manager. Responsible for the allocation of the assets on a regional basis and for the construction of the investment portfolio. He joined the management company in November 2007.

Ian Ridge Represents the Manager as Company Secretary and is responsible for the Company's statutory and regulatory compliance. He joined the management company in May 2005.

Marrack Tonkin Head of Investment Trusts with responsibility for the management company's relationship with the Company. He joined the management company in 1989.

Company Secretary and Registered Office

Columbia Threadneedle Investment Business Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Telephone: 0207 464 5000
Website: globalsmallercompanies.co.uk
Email: globalsmallerscosec@columbiathreadneedle.com

Independent Auditor

BDO LLP
(**'BDO'** or the **'auditor'**)
55 Baker Street
London W1U 7EU

Custodian

JPMorgan Chase Bank (the **'Custodian'**)
25 Bank Street
Canary Wharf
London E14 5JP

Depositary

JPMorgan Europe Limited (the **'Depositary'**)
25 Bank Street
Canary Wharf
London E14 5JP

Share Registrars

Computershare Investor Services PLC
(the **'Registrar'**)
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Telephone: 0370 889 4088
Authorised and regulated in the UK by the Financial Conduct Authority.

Solicitors

Dickson Minto LLP
Dashwood House
69 Old Broad Street
London EC2M 1QS

Stockbroker

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

Additional Information for Shareholders

Alternative Investment Fund Managers Directive

The Company is an 'alternative investment fund' (**'AIF'**) for the purposes of the AIFMD and has appointed its Manager, Columbia Threadneedle Investment Business Limited, to act as its Alternative Investment Fund Manager (**'AIFM'**). The Manager is authorised and regulated by the United Kingdom Financial Conduct Authority as a 'full scope UK AIFM'.

The Company is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within the Investor Disclosure Document (**'IDD'**) which can be found on the Company's website, globalsmallercompanies.co.uk.

The Company and AIFM also wish to make the following disclosures to investors:

- the investment strategy, geographic and sector investment focus and principal stock exposures are included in the strategic report. A list of the thirty largest listed holdings is included on pages 28 and 29;
- none of the Company's assets is subject to special arrangements arising from their illiquid nature;
- the Strategic Report and note 23 to the Financial Statements set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the year under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures that it employs;
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code in respect of the AIFM's remuneration. The relevant disclosures required are within the IDD; and
- information in relation to the Company's leverage is contained within the IDD.

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFM Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

Key Information Document ('KID')

In September 2024 the FCA announced that, for the time being, investment companies are not required to comply with the PRIIPs regulations and therefore do not need to make a KID available for investors. However, it was decided to continue to produce a KID, which is available on the Company's website at globalsmallercompanies.co.uk. The costs disclosure has been revised to include the Company's Ongoing Charges figure, consistent with the annual report.

Net asset value and share price

The Company's net asset value is released daily, on the working day following the calculation date, to the London Stock Exchange. The current share price of The Global Smaller Companies Trust PLC is shown in the investment trust section of the stock market page in several leading newspapers.

Unclaimed dividends

The Company has engaged the services of Georgeson (a subsidiary of Computershare) to locate shareholders, or their beneficiaries, who have lost track of or are unaware of their investments. The service is provided at no cost to the Company; Georgeson retain 10% of unclaimed dividends from the shareholder on completion of each successful claim. Alternatively, shareholders are given the option of contacting the Registrar themselves, thereby incurring no charges.

How to Invest

Financial Promotion

One of the most convenient ways to invest in The Global Smaller Companies Trust PLC is through one of the Savings Plans run by Columbia Threadneedle Investments.

CT Individual Savings Account (ISA)
You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

CT Junior Individual Savings Account (JISA)*
A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

CT Lifetime Individual Savings Account (LISA)
For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

CT General Investment Account (GIA)
This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

CT Junior Investment Account (JIA)
This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

CT Child Trust Fund (CTF)*
If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges
Details of the annual account charge along with other charges that apply can be found on our website www.ctinvest.co.uk.

Annual account charge
ISA/LISA: £60+VAT
GIA: £40+VAT
JISA/JIA/CTF: £25+VAT
You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges
£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.
Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares.
The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to invest in, these can be found at www.ctinvest.co.uk/documents.

How to Invest
To open a new Columbia Threadneedle Savings Plan, apply online at www.ctinvest.co.uk Online applications are not available if you are transferring an existing Savings Plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new Savings Plan in more than one name but paper applications are available at www.ctinvest.co.uk/documents or by contacting Columbia Threadneedle Investments.

New Customers:
Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)
Email: **invest@columbiathreadneedle.com**

Existing Savings Plan Holders:
Call: **0345 600 3030**** (9:00am – 5:00pm, weekdays)
Email: **investor.enquiries@columbiathreadneedle.com**
By post: Columbia Threadneedle Management Limited, PO Box 11114
Chelmsford CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Halifax, AJ Bell, Barclays, Interactive Investor, Hargreaves Lansdown amongst others.**

To find out more, visit **ctinvest.co.uk**

0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Part of COLUMBIA THREADNEEDLE INVESTMENTS

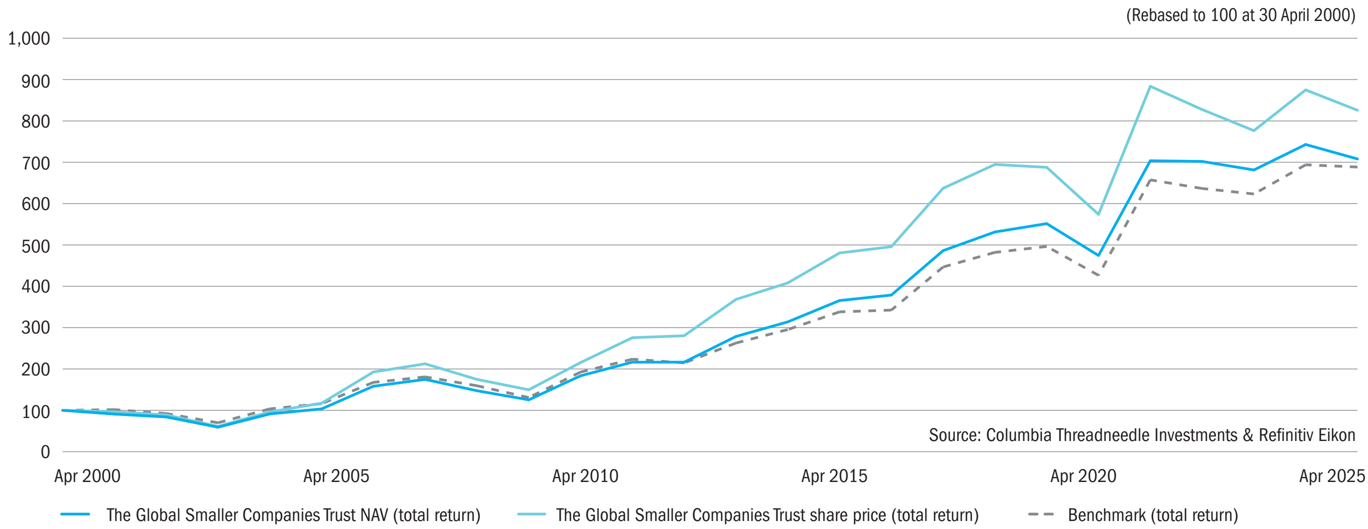
25 Year Historical Information

All data is based on figures as reported in accordance with the Company's accounting policies and is unaudited but derived from the audited financial statements.

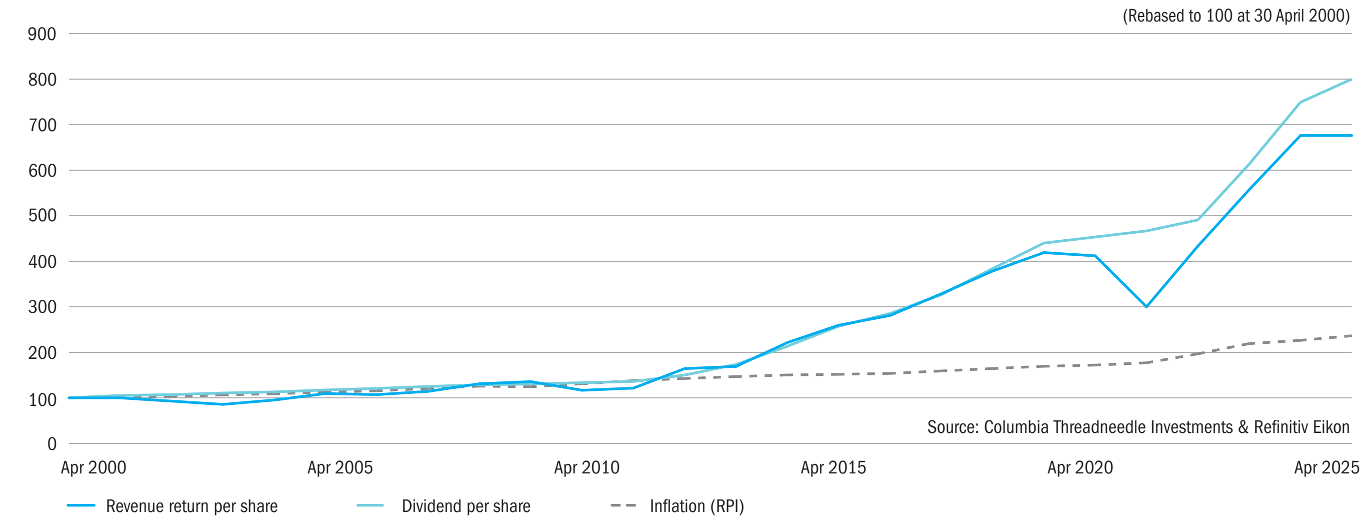
at 30 April	Net assets £'000s	Net asset value per share pence (i)	Closing share price pence (i)	Premium/ (discount) %	Revenue return per share pence (i)	Dividend per share pence (i)	Dividend growth %	Inflation (RPI) %
2000	313,128	32.5	25.5	(21.5)	0.42	0.375	11.6	3.0
2001	274,930	29.2	24.3	(16.9)	0.42	0.395	5.3	1.8
2002	246,300	26.6	21.9	(17.5)	0.39	0.402	1.8	1.5
2003	167,945	18.3	14.7	(19.7)	0.36	0.415	3.2	3.1
2004	235,390	27.7	22.4	(19.1)	0.40	0.424	2.2	2.5
2005	264,398	31.1	26.9	(13.7)	0.46	0.440	3.8	3.2
2006	227,652	47.1	43.5	(7.6)	0.45	0.453	3.0	2.6
2007	239,574	51.2	47.3	(7.6)	0.48	0.469*	3.5	4.5
2008	188,100	42.8	38.5	(8.6)	0.55	0.483	3.0	4.2
2009	150,994	36.0	32.5	(7.4)	0.57	0.489	1.2	(1.2)
2010	208,384	51.8	46.1	(9.6)	0.49	0.500	2.2	5.3
2011	241,604	60.3	58.4	(2.1)	0.51	0.510	2.0	5.2
2012	246,776	59.6	58.8	(0.4)	0.69	0.563	10.4	3.5
2013	340,090	75.6	76.5	1.6	0.71	0.650	15.5	2.9
2014	431,086	84.2	84.0	(0.1)	0.93	0.800	23.1	2.5
2015	516,963	97.0	98.0	1.0	1.09	0.965	20.6	0.9
2016	553,192	99.5	100.1	0.7	1.18	1.070	10.9	1.3
2017	733,282	126.4	127.3	0.8	1.38	1.225	14.5	3.5
2018	826,831	136.9	137.5	0.5	1.59	1.440	17.6	3.4
2019	854,619	140.6	134.6	(4.3)	1.76	1.650	14.6	3.0
2020	726,515	119.7	111.0	(7.3)	1.73	1.700	3.0	1.5
2021	1,007,508	174.9	168.6	(3.6)	1.26	1.750	3.0	2.9
2022	945,304	172.8	156.2	(9.6)	1.82	1.840	5.1	11.1
2023	859,435	165.7	144.6	(12.7)	2.34	2.300	25.0	11.4
2024	870,062	178.1	160.2	(10.0)	2.84	2.810	22.2	3.3
2025	736,815	167.1	148.6	(11.0)	2.84	3.000(2)	6.8	4.5

* Excludes special dividend of 0.1p also paid(i)
(i) Comparative figures for the years prior to 2020 have been restated due to the sub-division of each existing ordinary share of 25p into ten new ordinary shares of 2.5p each on 31 October 2019.
(2) Subject to approval of the final dividend of 2.30p at the 2025 AGM.

Net asset value and share price performance vs Benchmark over 25 years



Revenue return and dividend per share vs inflation over 25 years



Alternative Performance Measures

The Company uses the following Alternative Performance Measures (**'APMs'**) throughout the annual report, financial statements and notes to the financial statements. The APMs are reconciled to the financial statements through the narrative detailed below. The Board believes that each of the APMs, which are typically used within the investment trust sector, provide additional useful information to the shareholders in order to assess the Company's performance between reporting periods and against its peer group.

Discount or Premium – the share price of an Investment Trust is derived from buyers and sellers trading their shares on the stock market. This price is not identical to NAV per share of the underlying assets less liabilities of the Company. If the share price is lower than the NAV per share, the shares are trading at a discount. Shares trading at a price above NAV per share are said to be at a premium. The Board of the Company tries to ensure that the shares trade, in normal market conditions, at around the value of the net assets. This is done by means of buying shares from sellers at the below-NAV price (and placing them in treasury or cancelling them) or selling new shares to shareholders at a premium to NAV. The Board's policy is set out on page 44.

		30 April 2025 pence	30 April 2024 pence
Net Asset Value per share	(a)	167.05	178.07
Share price per share	(b)	148.60	160.20
(Discount)/Premium (c= (b-a)/a)	(c)	(11.0)%	(10.0)%

Gearing – this is the ratio of the borrowings of the Company to its net assets. Borrowings have a 'prior charge' over the assets of a company, ranking before ordinary shareholders in their entitlement to capital and/or income. They may include: preference shares; debentures; overdrafts and short and long-term loans from banks; and derivative contracts. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a 'net' or 'effective' gearing percentage, or to be used to buy investments, giving a 'gross' or 'fully invested' gearing figure. Where cash assets exceed borrowings, the Company is described as having 'net cash'. The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report and Directors' Report.

		30 April 2025 £'000	30 April 2024 £'000
Loan notes		35,000	35,000
Loans		16,050	16,463
	(a)	51,050	51,463
Less Cash and cash equivalents		(12,490)	(11,021)
Less Investment debtors		(1,016)	(3,369)
Add Investment creditors		1,472	3,982
Total	(b)	39,016	41,055
Net Asset Value	(c)	736,815	870,062
Effective gearing (d= b/c)	(d)	5.3%	4.7%
Fully invested gearing (e= a/c)	(e)	6.9%	5.9%

Net Asset Value (NAV) – the assets less liabilities of the Company, as set out in the Balance Sheet, all valued in accordance with the Company's Accounting Policies (see note 2 to the financial statements) and UK Accounting Standards. The net assets correspond to Total Shareholders' Funds, which comprise the share capital account, share premium account, capital redemption reserve and capital and revenue reserves. (See calculation in note 19 to the financial statements.)

Net Asset Value (NAV) with Debt at Fair Value – the Company's debt is valued in the Balance Sheet (on page 77) at cost, which is equivalent to the repayment value of the debt on the assumption that it is held to maturity. This is often referred to as 'Debt at Par'. The current replacement or fair value of the debt, which assumes it is repaid and renegotiated under current market conditions, is often referred to as the 'Debt at Market Value' or 'Debt at Fair Value'. See calculation in note 19 to the financial statements.

Ongoing Charges – all operating costs expected to be regularly incurred and that are payable by the Company or suffered within underlying investee funds, expressed as a proportion of the average net assets of the Company over the reporting year (see Ten Year Record). The costs of buying and selling investments and derivatives are excluded, as are interest costs, taxation, non-recurring costs and the costs of buying back or issuing ordinary shares.

Ongoing Charges calculation		30 April 2025 £'000	30 April 2024 £'000
Management fees		4,184	4,198
Other expenses		1,208	1,301
Less loan commitment/arrangement fees and one off costs		(110)	(218)
Underlying costs of collective investments excluding performance fee		1,024	1,424
Underlying costs of collective investments - performance fee	(a)	–	208
Total including performance fee	(b)	6,306	6,913
Total excluding performance fee (b-a)	(c)	6,306	6,705
Average daily net assets	(d)	846,257	858,025
Ongoing Charges including performance fee (e= b/d)	(e)	0.74%	0.80%
Ongoing Charges excluding performance fee (f= c/d)	(f)	0.74%	0.78%

Total Expense Ratio ('TER') – an alternative measure of expenses to Ongoing Charges. It comprises all operating costs incurred in the reporting period by the Company (see notes 4 and 5 (pages 83 and 84) to the financial statements), calculated as a percentage of the average net assets in that year (see Ten Year Record). Operating costs exclude costs suffered within underlying investee funds, costs of buying and selling investments and derivatives, interest costs, taxation and the costs of buying back or issuing ordinary shares.

TER calculation		30 April 2025 £'000	30 April 2024 £'000
Management fees		4,184	4,198
Other expenses		1,208	1,301
Less loan commitment/arrangement fees and one off costs		(110)	(218)
Total	(a)	5,282	5,281
Average daily net assets	(b)	846,257	858,025
TER (c= a/b)	(c)	0.62%	0.61%

Total Return – the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	NAV	Share price
NAV/Share Price per share at 30 April 2024 (pence)	178.07	160.20
NAV/Share Price per share at 30 April 2025 (pence)	167.05	148.60
Change in the year	(6.2)%	(7.2)%
Impact of dividend reinvestments	1.4%	1.6%
Total return for the year	(4.8)%	(5.6)%

	NAV	Share price
NAV/Share Price per share at 30 April 2023 (pence)	165.71	144.60
NAV/Share Price per share at 30 April 2024 (pence)	178.07	160.20
Change in the year	7.5%	10.8%
Impact of dividend reinvestments	1.5%	1.9%
Total return for the year	9.0%	12.7%

Glossary of Terms

AAF Report – Report prepared in accordance with Audit and Assurance Faculty guidance issued by the Institute of Chartered Accountants in England and Wales.

Administrator – The administrator is State Street Bank and Trust Company to which Columbia Threadneedle has outsourced certain functions.

AIFMD – the UK version of the Alternative Investment Fund Managers Directive that requires investment vehicles in the European Union to appoint a Depositary and an Alternative Investment Fund Manager.

AIFM – the Alternative Investment Manager appointed by the Board of Directors in accordance with the AIFMD is the Company's Manager, as defined below.

Ameriprise – Ameriprise Financial Inc. which is the ultimate parent company of Columbia Threadneedle A M (Holdings) PLC which in turn owns Columbia Threadneedle Investment Business Limited.

APMs – Alternative Performance Measures are financial measures of historical or future financial performance, financial position, or cashflows, other than financial measures defined or specified in the applicable accounting framework. Guidelines published by the European Securities and Markets Authority aim to improve comparability, reliability and comprehensibility by way of APMs.

Benchmark – from 1 May 2023, a blend of two Indices, namely the MSCI All Country World ex UK Small Cap Index (80% (net)) and the Deutsche Numis UK Smaller Companies (excluding investment companies) Index (20%). This Benchmark, against which the increase or decrease in the Company's net asset value is compared, measures the performance of a defined selection of smaller companies listed in stock markets around the world and gives an indication of how those companies have performed in any period. Divergence between the performance of the Company and the Benchmark is to be expected as: the investments within this Index are not identical to those of the Company; the Index does not take account of operating costs; and the Company's strategy does not entail replicating (tracking) this Benchmark. Prior to 1 May 2023 the weighting of the indices in the Benchmark was 70% MSCI All Country World ex UK Small Cap Index and 30% Deutsche Numis UK Smaller Companies (excluding investment companies). The MSCI index was also measured on a gross basis rather than a net basis going forward.

Carbon intensity – this is measured in tons of CO2 equivalent (i.e. including the basket of six Kyoto Protocol gases) of Scope 1 and 2 emissions, divided by $1million of sales at a company level. This is aggregated to portfolio level using a weighted average (by holding).

Closed-ended company – a company, including an Investment Company, with a fixed issued ordinary share capital the shares of which are traded on an exchange at a price not necessarily related to the net asset value of the company and which can only be issued or bought back by the company in certain circumstances.

Columbia Threadneedle Investments Savings Plans – these comprise the CT General Investment Account, CT Lifetime ISA, CT Junior Investment Account, CT ISA, CT Junior ISA and CT Child Trust Fund operated by Columbia Threadneedle Investments.

Cum-dividend – shares are classified as cum-dividend when the buyer of a security is entitled to receive a dividend that has been declared, but not paid. Shares which are not cum-dividend are described as ex-dividend.

Custodian – The Custodian is JPMorgan Chase Bank. The Custodian is a financial institution responsible for safeguarding, worldwide, the listed securities and certain cash assets of the Company, as well as the income arising therefrom, through provision of custodial, settlement and associated services.

Depositary – The Depositary is JPMorgan Europe Limited. Under AIFMD rules, the Company must appoint a Depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. Under the AIFMD rules, the Depositary has strict liability for the loss of the Company's financial assets in respect of which it has safe–keeping duties. The Depositary's oversight duties will include but are not limited to oversight of share buy-backs, dividend payments and adherence to investment limits.

Distributable Reserves – Reserves distributable by way of dividend or for the purpose of buying back ordinary share capital (see notes 2, 16, 17 and 18 to the financial statements). Company Law requires that Share Capital and the Capital Redemption Reserve may not be distributed. The Company's articles of association allow distributions by way of dividend out of Capital Reserves. Dividend payments are currently made out of Revenue Reserve. The cost of all share buy-backs is deducted from Capital Reserves.

Dividend Dates – Reference is made in announcements of dividends to three dates. The 'record' date is the date after which buyers of the shares will not be recorded on the register of shareholders as qualifying for the pending dividend payment. The 'payment' date is the date that dividends are credited to shareholders' bank accounts. The 'ex-dividend' date is normally the business day prior to the record date (most ex-dividend dates are on a Thursday).

GAAP – Generally Accepted Accounting Practice. This includes UK Financial Reporting Standards (**'FRS'**) and International GAAP (IFRS or International Financial Reporting Standards applicable in the UK).

Investment Company (Section 833) – UK Company Law allows an Investment Company to make dividend distributions out of realised distributable reserves, even in circumstances where it has made Capital losses in any year, provided the Company's assets remaining after payment of the dividend exceed 150% of the liabilities. An Investment Company is defined as investing its funds in shares, land or other assets with the aim of spreading investment risk.

Investment Trust taxation status (Section 1158) – UK Corporation Tax law allows an Investment Company (referred to in Tax law as an Investment Trust) to be exempted from tax on its profits realised on investment transactions, provided it complies with certain rules. These are similar to Section 833 Company law rules but further require that the Company must be listed on a regulated stock exchange and that it cannot retain more than 15% of income received. The Directors Report contains confirmation of the Company's compliance with this law and its consequent exemption from taxation on capital gains.

ISAE Report – Report prepared in accordance with the International Standard on Assurance Engagements.

Leverage – as defined under AIFMD rules, leverage is any method by which the exposure of an AIF (being an investment vehicle under the AIFMD) is increased through borrowing of cash or securities or leverage embedded in derivative positions. Leverage is broadly equivalent to gearing but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowings). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Manager (AIFM) – Columbia Threadneedle Investment Business Limited, a subsidiary of Columbia Threadneedle A M (Holdings) PLC, which in turn is ultimately owned by Ameriprise Financial Inc. Its responsibilities and fees are set out in the Business Model, Directors' Report and note 4 to the financial statements.

Non-executive Director – a Director who has a contract for services, rather than a contract of employment, with the Company. The Company does not have any executive Directors.

Open-ended Fund – a collective investment scheme which issues shares or units directly to investors, and redeems directly from investors, at a price that is linked to the net asset value of the fund.

Scope 1, 2 and 3 emissions – Scope 1 emissions are those direct emissions that are owned or controlled by a company, whereas Scope 2 and 3 indirect emissions are a consequence of the activities of the company but occur from sources not owned or controlled by it.

Section 172(1) – Section 172(1) of the Companies Act 2006 requires a director of a company to act in the way he/she considers, in good faith, to be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to matters specified in that section. The directors are required to report on this in the Strategic Report section of the Report and Financial Statements each year.

SORP – Statement of Recommended Practice. The accounts of the Company are drawn up in accordance with the Investment Trust SORP, issued by the AIC, as described in note 2 to the Financial Statements.

Special Dividends – dividends received from investee companies which have been paid out of capital reconstructions or reorganisations of the investees are sometimes referred to as Special Dividends and may be allocated to Capital Reserves in accordance with the Company's accounting policies and the SORP. Dividends which are unusually large in terms of the investee companies' annual earnings or normal payment pattern are also sometimes referred to as special but are treated as revenue in nature unless evidenced otherwise.

Treasury shares – ordinary shares previously issued by the Company that have been bought back from shareholders on the open market and kept in treasury by the Company. Such shares may, at a later date, be re-issued for sale on the open market or cancelled if demand is insufficient. Treasury shares carry no rights to dividends and have no voting rights and hence are not included within calculations of earnings per share or net asset value per share.

UK Code – the UK Code of Corporate Governance – published in 2018, which sets out the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders that all companies with an Equity Shares (commercial companies) category listing on the London Stock Exchange are required to report on in their annual report and financial statements.

The United Nations Sustainable Development Goals (SDGs) – These goals are the blueprint to achieve a better and more sustainable future for all. They address global challenges including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected and the aim is to achieve them all by 2030.

The United Nations-supported Principles for Responsible Investment (UNPRI) – The six principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. In implementing them, signatories contribute to developing a more sustainable global financial system.

Analysis of Ordinary Shareholders (unaudited)

Category	Holding % at 30 April 2025	Holding % at 30 April 2024
Columbia Threadneedle Investments Savings Plans	55.9	54.4
Institutions	7.9	10.3
Direct Individuals and Nominees	36.2	35.3
	100.0	100.0

Source: Columbia Threadneedle Investments.

Warning to Shareholders – Beware of Share Fraud.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell to you shares that turn out to be worthless or non-existent, or to buy your shares at an inflated price in return for an upfront payment following which the proceeds are never received.

If you receive unsolicited investment advice or requests:

- Check the Financial Services Register from **fca.org.uk** to see if the person or firm contacting you is authorised by the FCA
- Call the Financial Conduct Authority ('**FCA**') on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at **fca.org.uk/scams**
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice

If you are approached by fraudsters please tell the FCA by using the share fraud reporting form at **fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

The Global Smaller Companies Trust PLC

Annual Report and Financial Statements for the year ended 30 April 2025

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