Schroders

Schroder British Opportunities Trust plc

Half Year Report and Accounts
For the period ended 31 December 2021

Investment objective

The Company's investment objective is to deliver long-term total returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK Companies.

Target return

The Company aims to provide a NAV total return of 10 per cent. per annum (once the Company is fully deployed across the target allocation between public and private equity investments) over the life of the Company.

Investment policy

The Company will invest in a diversified portfolio of both public equity investments and private equity investments consisting predominantly of UK Companies with strong long-term growth prospects.

It is anticipated that the Company's portfolio will typically consist of 30 to 50 holdings and will target companies with an equity value between approximately £50 million and £2 billion at the time of initial investment.

The Company will focus on companies which the Portfolio Managers consider to be sustainable from an environmental, social and governance perspective, supporting at least one of the goals and/or sub-goals of the United Nations' Sustainable Development Goals ("**SDGs**"), or which the Portfolio Managers consider would benefit from their support in helping them incorporate SDGs into their business planning and/or in reporting their alignment with SDGs.

The Company will aim to achieve a target allocation of approximately 50 per cent. public equity investments and approximately 50 per cent. private equity investments. The Company's portfolio will predominantly comprise public equity investments until target deployment into private equity investments is achieved.

The Company may, from time to time, use borrowings for investment and efficient portfolio management purposes. Gearing will not exceed 10 per cent. of Net Asset Value, calculated at the time of drawdown of the relevant borrowing.

The full investment policy can be found on the website and on pages 38 to 41 of the prospectus dated 10 November 2021.

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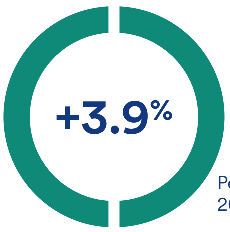
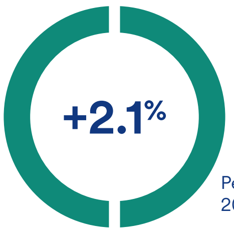
Financial Highlights and Key Performance Indicators

Returns for the six months ended 31 December 2021



Period to 30 June 2021: +10.6%

Net asset value ("NAV") per share



Period to 30 June 2021: +5.0%

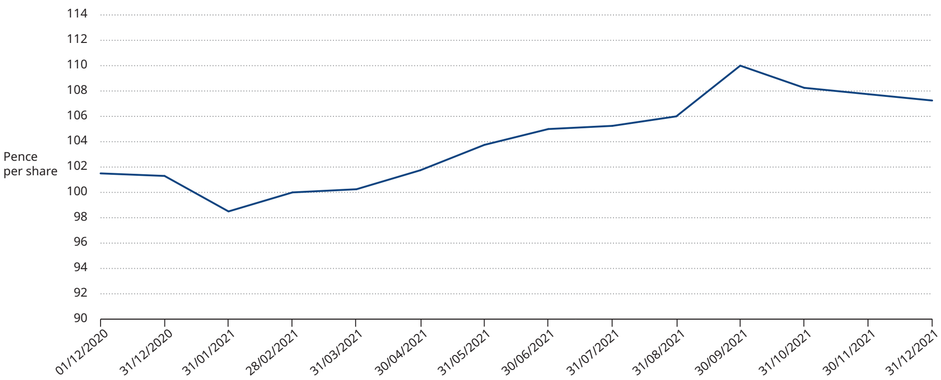
Share price

Financial Highlights

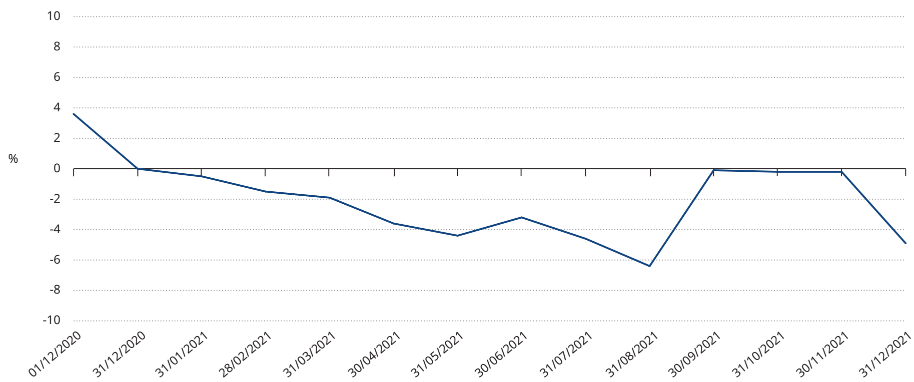
Other financial information	31 December 2021	30 June 2021	% Change
Shareholders' funds (£'000)	84,539	81,327	+3.9
Shares in issue	75,000,000	75,000,000	–
NAV per share (pence)	112.72	108.44	+3.9
Share price (pence)	107.25	105.00	+2.1
Share price discount to NAV per share (%)	4.9	3.2	
Net cash (%)[1]	(16.2)	(22.1)	

[1] Borrowings used for investment purposes, less cash, expressed as a percentage of net assets. The Company currently has no borrowings, so this is shown as a negative, net cash figure.

Share price since launch



Share price (discount)/premium to NAV per share[1]



[1]Source: Morningstar/Schroders

Chairman's Statement

I am pleased to present your Company's unaudited interim results for the six month period to December 31st 2021.

Performance

The Company's net asset value ("NAV") rose 3.9% in the period, a running rate marginally behind our declared total return target of 10% per annum, although we remain ahead of this target in the period since our IPO in December 2020 with an annualised return of 13.7%. The share price rose by a lesser 2.1%, leading to a wider discount at the period end.

Further comment on performance and investment policy may be found in the Portfolio Managers' review.

Portfolio activity

Our aim is to provide fresh equity capital to growing small- and medium-sized businesses. During the period, we invested in four new public companies as progress was made towards our stated goal of a portfolio with broadly half of our invested capital in UK focused private businesses and the balance in UK public equities. In total, across public, private and futures we were 91% invested at the end of the period, holding positions in six private and 32 public companies. We continue to adopt a disciplined approach to valuation and elected not to proceed with any of the new private equity opportunities we reviewed during the period. We did however complete thorough due diligence on several other private companies which we hope to announce further details on shortly. Offering our shareholders access to high quality and growing private companies is a key objective of the Company, particularly important given the trend for these businesses to 'stay private for longer'. We offer the public market investor exposure to these companies during what can often be a period of significant value creation.

Discount management

The Board continues to monitor closely the Company's discount levels and regularly reviews its share buyback policy. During the period under review the discount increased from 3.2% at the start of the period to 4.9% as at 31 December 2021. At 16 March 2022, largely due to world events, this discount had widened to 14.5%.

Dividend

The Board is not recommending payment of a dividend. The Company is targeting a total return and the focus is on long-term growth rather than providing investors with dividend income.

Company size

The Board believes that a well-researched portfolio of UK companies with strong growth prospects, regardless of their ownership status, is a differentiated offer with appeal to all investors who believe in the UK recovery story. We therefore intend to increase the size of the Company when it becomes possible to do so.

Presentation from the Portfolio Managers

Our Portfolio Managers will be presenting at a webinar on 29 March 2021 at 9am to provide some insight into their decision making and the current portfolio. Shareholders are encouraged to sign up using this link:

https://registration.duuzra.com/form/feedback/SBOInterim2022

Regular news about the Company can be found on the Company's website:

https://www.schroders.com/en/uk/private-investor/fund-centre/funds-in-focus/investment-trusts/schroders-investment-trusts/never-miss-an-update/

Outlook

Using a variety of valuation metrics, it is apparent that UK Equities represent good value vs their continental European and US equivalents. The ground lost due to the uncertainty created by Brexit has never been fully regained as the pandemic and most recently events in the Ukraine have not yet created the environment for it to do so. As I write, the effect of the latter is impossible to predict but any effect on the UK is not expected to be any worse than elsewhere, arguably less than in many European economies with a high dependence on Russian energy. As the Portfolio Managers comment in their report, UK companies are highly cash generative with higher forward free cash flow yields than those in many other developed markets and a good number have high levels of cash reserves available to fund growth.

The portfolio management team has built an interesting and varied portfolio of UK public and private companies with excellent growth prospects and strong ESG credentials. On the private side, they have a number of good opportunities in the pipeline. Your Board believes that our current share price undervalues this portfolio and we expect to deliver compelling returns to shareholders over time.

Neil England
Chairman

21 March 2022

Portfolio Managers' Review

Summary

Over the past six months, we have continued to put capital to work to invest in a wide spectrum of UK companies' growth. We added four new public equity holdings to the Company's investment portfolio, participated in several primary equity raises and continued to work hard on sourcing and conducting due diligence on a number of potential future private equity investments. As at 31 December 2021 c.91% of net assets were invested across public equities, private equities, and futures.

In December 2021, the Company updated investors on the net asset value increase following the quarterly revaluation of the Company's private equity holdings as at 30 September 2021, highlighting notable valuation uplifts for Waterlogic and EasyPark. The latest revaluation of the Company's private equity holdings as at 31 December 2021 has resulted in a considerable uplift to Cera's valuation, as well as a further upward valuation of Waterlogic, whilst other private equity investments have been held broadly at their previous valuations with two small downward revisions for EasyPark and Rapyd following movements in market valuation multiples. Therefore, five of the six private equity investments we have made to date have seen their valuation increase since the Company's IPO. These increases underline the progress made by the Company's private equity investments in the relatively short period of time since the Company's IPO in December 2020.

We continue to believe the portfolio can offer substantial long-term returns through our strategy of investing in both public and private growth companies with sustainable business models.

The UK Market

UK equities rose over the six month period along with many developed markets. COVID-19 news drove bouts of volatility, as did fears as to how forcibly the major central banks might need to respond to inflation. These uncertainties, however, were insufficient to derail continued gains in equities, which were supported by robust corporate earnings and low real bond yields.

Equity markets were also resilient in the face of many other uncertainties as 2021 drew to a close, including those around the global growth outlook and China in particular. A zero tolerance approach to COVID-19 continued to strain Chinese supply chains (where issues were further compounded by floods and energy shortages) and weigh on economic activity. Meanwhile, difficulties facing the country's property sector and the potential implications of the "common prosperity" policy goal also raised some big questions around the Chinese economic outlook.

A number of the UK's domestically-focused sectors were particularly volatile over the period, and not just travel and leisure companies, which were directly disrupted by new restrictions in response to Omicron – a new strain of COVID-19. The share prices of UK consumer-facing sectors, such as retailers and housebuilders, fluctuated in line with expectations around the timing of a rise in UK base rates. Many retailers also grappled with supply chain disruptions, resulting in some high profile profit warnings, despite strong demand as UK GDP recovered its pre-COVID peak during the period.

The second half of 2021 saw continued high levels of activity in the private equity markets taking total deal volumes and deal numbers to record levels for the year in the UK. This reflected confidence returning to the market following a disrupted 2020. The final quarter of 2021, however, saw several headwinds emerge which caused a slight cooling in sentiment. Omicron, combined with ongoing issues around supply chains, and the emergence of inflation, led to increased scrutiny on transactions; however, deals continued to complete as demand remained high. A consequence of this exuberance seen throughout 2021 is that valuations continue to rise, often to questionable levels, as more capital chases transactions.

The Portfolio

As previously mentioned in the last Report and Accounts, we structured the Company as a unique investment opportunity to invest in both public and private equities managed seamlessly by a team of Schroders' experienced public equity and private equity experts. Our philosophy remains to simply buy what we perceive to be fundamentally undervalued growth companies irrespective of their ownership structure. We aim to maximise returns for our investors while helping companies maximise their sustainable growth trajectories, which is just as important now, as we emerge from the pandemic, as it was in December 2020 at IPO. We continue to believe there are significant benefits in combining the best ideas from both public and private and working with companies through the life cycle of their existence. These include access to a broader set of potential UK investee companies, the ability to invest at an early stage in a company's existence, as well as enabling a wider investment perspective and consistency of stewardship.

We continue to take a balanced, pragmatic view to portfolio construction. At the end of period, 29.4% of the net assets were invested in private companies. We maintain a disciplined approach to new investments and pay particular attention to valuation in our analysis, as alluded to above. This has led us to decline several private equity opportunities in recent months where valuations have been difficult to justify. However we remain confident in achieving a split of around 50/50 public/private within 18-24 months from launch and from there will be flexible subject to the opportunities that present themselves. With that in mind, we can reassure our shareholders that liquidity and effective cash management are front of mind.

Portfolio Activity

Across our portfolio, be they public or private positions, we take a long-term approach to our investments. We hope to generate substantial returns by helping our companies to grow, providing fresh equity when appropriate and influencing management teams to adopt the very best ESG practices.

We added four new public equity holdings to the portfolio over the six month period and exited our position in one following a private equity bid, which we will discuss below:

Portfolio Managers' Review

In July, we took part in the IPO of **LendInvest**, an asset management property finance platform providing bridging loans, development finance, and buy-to-let mortgages to intermediaries, landlords and developers across the UK. The company is expected to grow its Funds Under Management materially over the next few years, which should enable it to match rising demand from borrowers.

A few months later, we introduced **MaxCyte**, a medical device company that sells and licenses gene editing equipment to global pharmaceutical firms, into the portfolio. We believe the company is well placed to benefit from two major tailwinds: i) the rapid expansion of the overall cell therapy market; and ii) a mix-shift within cell therapy towards non-viral delivery technologies. Furthermore, its significant barriers to entry, high recurring revenue mix, and potential to generate significant pre-commercialisation milestones, as well as post-commercialisation royalties, are amongst the reasons that we decided to become shareholders.

Meanwhile, we exited our position in **Blue Prism** in October following the announcement of an all-cash offer for the company from US-based private equity firm Vista Equity Partners. This became the second company in the portfolio, after Calisen in December 2020, to be bid for since the launch of the Company.

Our November participation in **Velocys'** equity placing concluded in December following a successful approval of the transaction at the firm's General Meeting. A new entrant to the portfolio, Velocys produces technology that converts municipal waste and biomass into jet fuel. The company's technology is smaller scale than currently available alternatives and needs to be scaled-up, which partly drove our decision to invest.

In December, we added **On The Beach Group**, a UK-based travel retailer that specialises in short and medium haul 'Flight + Hotel' holidays to Europe, to the portfolio. We believe that the company is well placed to benefit from an eventual return of airline passenger traffic, whilst there could be an opportunity for market share gains as the industry consolidates.

From a private equity perspective, after a busy first half of the year where we made six investments, the past six months have been focused on sourcing and conducting due diligence on further private equity investment opportunities for the portfolio.

Nevertheless, there was considerable individual investment activity as a number of investee companies continued to focus on expanding their offerings. All six companies have progressed well.

Waterlogic continued its buy and build strategy with the announcement of numerous acquisitions. The first was the acquisition of Quality Water Service, with operations in Puerto Rico, Chile and Colombia, a long-established partner of Waterlogic. This acquisition will provide Waterlogic with a direct presence in the region. The second was the acquisition of Waterconcept in Hungary, which adds a number of top quality venues to expand the company's offering in the country. Waterlogic also purchased Home Business Solutions in Portugal, which enables it to establish a direct presence in a country that has experienced more than 70% growth in point-of use water dispensers over the last 5 years. Elsewhere in Europe, Waterlogic acquired Pure Pro in Bulgaria and Dalux AB in Sweden. The company continued its expansion into the US, acquiring five companies in the space, taking it up to 15 acquisitions in the Americas in 2021. During the period Waterlogic announced that it had agreed to combine with Culligan International, with the transaction expected to close in the second half of 2022, subject to receipt of regulatory approvals and the satisfaction of other customary closing conditions. We were delighted to see the announcement of this combination, which will create a global leader in sustainable drinking water solutions and services while allowing the Company to remain a shareholder. The combined business has very strong sustainability credentials and considerable future growth potential through continued M&A and new product innovation.

Elsewhere, **EasyPark Group** announced its launch in Portugal in September, which now provides consumers with access to its award-winning street parking app in the city of Lisbon and continues to make good progress with its integration of ParkNow.

In October, **Graphcore** announced that its ground-breaking Intelligent Processing Unit (IPU) technology would feature in a new supercomputer designed to advance cutting-edge scientific research projects in the USA. ACES (Accelerating Computing for Emerging Sciences) is described as a 'holistic' computing system, bringing together a range of state-of-the-art technologies in a single platform. Graphcore IPUs will deliver high-performance AI computation, alongside other forms of computing and will be built by researchers from Texas A&M University, the University of Illinois at Urbana-Champaign and the University of Texas at Austin, and has been made possible by a $5m grant from the National Science Foundation.

Also in October, **Cera** announced its plans to develop 15 digital healthcare hubs in cities and towns throughout the UK over the next six months. These hubs, combined with Cera's existing network throughout the UK, will see it providing healthcare services to a community equal in size to the capacity of several dozen NHS hospitals or 1,000 care homes every day. This expansion is being undertaken in response to increasing pressure on the NHS, with Cera able to support those suffering from long COVID, older and vulnerable people who've recently been discharged from hospital and those requiring daily care or nursing services, in their own home.

In December, **Learning Curve** announced the acquisition of Cardiff-based Motivational Preparation College for Training to complement its existing academy provision, which will see it become the largest military training organisation outside of the Ministry of Defence.

Finally, **Rapyd** announced in December that it had agreed to acquire Hong Kong-based Neat, a cross-border trade enabling platform for small and medium-sized businesses ("SMBs") and start-ups. Neat provides full company incorporation, business accounts, global payment collection and disbursements, as well as credit card-based capital expansion services. Neat's services, capabilities and licences

Portfolio Managers' Review

will be integrated into Rapyd's platform providing an easy-to-use online global trade solution optimized for SMBs, entrepreneurs and growing young companies. Terms of the deal were not disclosed, and it is subject to regulatory approval.

We intend to continue to expand the Company's private equity holdings whilst also ensuring the overall portfolio is adequately diversified across sectors, with a strong focus on sustainability, corporate governance, and of course effective cash management.

Equity raises

In our mission to help companies maximise their potential by injecting fresh equity into their businesses, we participated in one IPO (as mentioned earlier) and eight primary equity raises over the six months.

Portfolio holding **Gym Group** raised c.£31.2m of new equity in July to take advantage of attractive opportunities (i.e. new sites) that it hopes will accelerate its growth. We decided to participate in the placing as we believed that the market was not pricing in the accelerated rate of expansion, nor the potential value creation that the new sites would bring when fully matured.

Elsewhere, we also participated in **Learning Technologies Group's** ("LTG") equity placing in July. The company successfully raised c.£85.1m to finance its acquisition of GP Strategies Corp, a NASDAQ-listed global provider of learning services & workforce transformation. The deal is expected to provide LTG with access to a strong US blue chip client base that it can cross-sell to and generate revenue and earnings synergies.

Ascential raised c.£153.4m to free up its balance sheet to be able to continue acquiring companies in the Digital Commerce space, the third of our holdings to raise equity in July. It simultaneously also released its H1 2021 results, which showed the Digital Commerce division outperforming consensus expectations on revenue growth, thus supporting its desire to continue expanding into this area.

Meanwhile, **discoverIE** completed its placing in September, which was upsized due to institutional demand. The company eventually raised £55m in gross proceeds, which it said would be used to reduce net debt, fund working capital and for general corporate purposes.

In November, we continued to support companies as they raised equity to fund growth; these included **GB Group** which raised gross placing proceeds of c.£300m to fund an acquisition in the US, and **Invinity Energy Systems**, which sought capital to grow the market share of one of its products, develop its grid-scale product and maintain its current growth trajectory. Furthermore, as mentioned in the previous section, our November participation in **Velocys'** equity placing concluded in December following a successful approval of the transaction at the firm's General Meeting.

Lastly, investee company **Ideagen** raised £103.5m of primary equity in December, which we participated in, to support its pipeline of acquisitions. The company plans to reach £200m of annual recurring revenues by April 2025 (vs £54.2m in fiscal year 2021) through a combination of organic growth and acquisitions, and we expect this new funding to help towards that goal.

To end December 2021, we have invested in 15 primary and two secondary public equity transactions since the Company's inception.

Positive and negative performers

Top 5 and bottom 5 contributors

Top 5 Contributors	Contribution %
Waterlogic	2.1
Watches of Switzerland	1.5
Cera EHP Sàrl	1.5
Easypark	0.7
Volution	0.6
Bottom 5 Contributors	
Civitas Social Housing	(0.3)
Luceco	(0.3)
Breedon	(0.3)
City Pub	(0.4)
Victorian Plumbing	(1.0)

Source: Schroders, as at 31 December 2021.

As a reminder, the private equity investments within the Company's portfolio will be valued on a quarterly basis in line with the 'Unquoted Securities Valuation Policy'. The policy provides an objective, consistent and transparent basis for estimating the fair value of private equity investments in accordance with generally accepted valuation principles and procedures, and in particular the International Private Equity and Venture Capital Valuation Guidelines.

The six month period in question, which saw the Company's net asset value per share increase by 3.9%, has taken into account two quarterly valuations of the Company's private equity holdings. The growth in the net assets was driven by the private equity investments due to a volatile period in the public markets.

In December, we were delighted to announce the 2.1% uplift to the estimated net asset value (cum income) as at 30 September 2021 following the first of these quarterly valuations. Two of the six private equity investments, Waterlogic and EasyPark, saw valuation uplifts whilst other private investments have been held at or slightly above their previous valuations. Waterlogic has continued to experience solid growth, which has been helped by a number of add-on acquisitions mentioned above. Meanwhile, EasyPark has seen continued momentum, expanding into Portugal as explained earlier, and the integration of Park Now is progressing well.

The latest revaluation of the Company's private equity holdings as at 31 December 2021 has resulted in a considerable uplift to Cera's valuation, as well as a further upward valuation of Waterlogic, whilst other private equity investments have been held broadly in line with their

Portfolio Managers' Review

previous valuations. There were two very small downward valuation adjustments to EasyPark and Rapyd as a consequence of slightly reduced valuation multiples but both companies continue to perform strongly from an operational perspective as highlighted above.

Over the six month period under review we are delighted with the progress of the private equity portfolio with five of the six investments now standing at an uplift in valuation from the point of investment.

We discuss some of the key performers, positive and negative, from the portfolio's public equity allocation below.

Our position in **Watches of Switzerland Group** did very well over the period and was in fact the number one performing stock in the FTSE 250 in 2021. This performance was driven by better-than-expected trading throughout the year (which led to strong earnings upgrades) and a 4-year strategy plan to accelerate its growth, all of which were well received by the market.

Meanwhile shares in **Volution Group**, a leading manufacturer of ventilation products, also performed strongly over the period. Despite the pandemic continuing to impact a number of areas of the markets, the company has benefited from a greater awareness of indoor air quality. This was underlined by a strong set of final results for the year ended 31 July, which highlighted significant revenue growth and profit before tax up more than 100% on 2020.

Another top public equity holding over the period was specialist mortgage lender **OSB Group**. The company performed strongly, up c.20%, thanks to lower-than-expected impairments, strong loan growth and improvements in sentiment from an expectation that interest rates would increase.

On the negative, shares in **Victorian Plumbing** were weak. Trading has been uncertain since its IPO, and in December, the company's comments on the outlook for its fiscal year 2022 led the market to believe that profits could be lower than initially expected, causing its shares to fall. However, after meeting with management, re-assessing our investment thesis and stress-testing our assumptions, we believe the shares remain attractive.

Meanwhile, shares in **City Pub Group** held back performance, likely impacted by the overall negative sentiment around labour shortages and the consequent effect on the UK supply chain, as well as fears around rising inflation. However, in our view, the balance sheet is strong due to the freehold assets, which provide a floor to the valuation.

Additionally, shares in construction materials company **Breedon Group** performed poorly despite modest upgrades to growth expectations and a strong trading update in October. This was largely due to the rising oil price, which some feared would put pressure on margins due to the energy-intensive nature of their production processes.

Outlook

Even before the Ukraine crisis, inflation had risen to new levels in both the UK and the US, and bond yields were increasing in expectation of the Federal Reserve raising interest rates. Their plan to also reduce the size of their balance sheet this year perpetuated the sell-off in equity markets. The events in Ukraine has now sent oil prices significantly higher and the combination of these factors suggests a stagflationary environment as the key risk to global equity markets in 2022.

On the positive side, UK companies are highly cash generative and the UK equities continue to trade at a discount to global peers, thus presenting a number of compelling investment opportunities. With interest rates in the UK expected to rise, indebted public companies face higher financing costs and may well be seeking injections of fresh equity capital.

We also expect to continue to see a significant number of high-quality growing private companies seeking equity finance. The market is expected to be competitive but we intend to remain disciplined in only pursuing companies with the right risk/reward profile. We are working on several of these opportunities at the time of writing and we hope to update the market on these shortly.

Schroder Investment Management Limited

21 March 2022

Investment Portfolio as at 31 December 2021

Holding	Quoted/ unquoted	Country of incorporation	Industry Sector	Fair value £'000	Total investments %
Rapyd Financial Network	Unquoted	United Kingdom	Technology	6,740	9.3
Waterlogic	Unquoted	United Kingdom	Consumer Goods	5,876	8.1
Cera EHP S à r l	Unquoted	Luxembourg	Health Care	4,491	6.2
Watches of Switzerland	Quoted	United Kingdom	Consumer Services	2,962	4.1
Graphcore	Unquoted	United Kingdom	Technology	2,952	4.1
Ascential	Quoted	United Kingdom	Consumer Services	2,580	3.6
Easypark	Unquoted	Norway	Technology	2,540	3.5
Learning Curve	Unquoted	United Kingdom	Consumer Services	2,258	3.1
Genuit	Quoted	United Kingdom	Industrials	2,151	3.0
OSB	Quoted	United Kingdom	Financials	2,144	3.0
Top 10				34,694	48.0
Volution	Quoted	United Kingdom	Oil & Gas	2,066	2.9
Keywords Studios	Quoted	United Kingdom	Industrials	2,034	2.8
GB	Quoted	United Kingdom	Technology	1,996	2.8
Ibstock	Quoted	United Kingdom	Industrials	1,971	2.7
National Express	Quoted	United Kingdom	Consumer Services	1,906	2.6
Learning Technologies	Quoted	United Kingdom	Technology	1,774	2.5
Dalata Hotel	Quoted	Ireland	Financials	1,642	2.3
Discoverie	Quoted	United Kingdom	Industrials	1,605	2.2
SSP	Quoted	United Kingdom	Consumer Goods	1,581	2.2
Trainline	Quoted	United Kingdom	Technology	1,579	2.2
Top 20				52,848	73.2
The Gym	Quoted	United Kingdom	Consumer Services	1,551	2.1
Breedon	Quoted	Jersey	Industrials	1,526	2.1
Bodycote	Quoted	United Kingdom	Industrials	1,519	2.1
Euromoney	Quoted	United Kingdom	Consumer Services	1,356	1.9
City Pub	Quoted	United Kingdom	Consumer Services	1,350	1.9
Luceco	Quoted	United Kingdom	Utilities	1,267	1.8
Trustpilot	Quoted	United Kingdom	Technology	1,245	1.7
Civitas Social Housing	Quoted	United Kingdom	Financials	1,229	1.7
EMIS Group	Quoted	United Kingdom	Technology	1,214	1.7
Ideagen	Quoted	United Kingdom	Technology	1,189	1.6
Top 30				66,294	91.8
MaxCyte	Quoted	United Kingdom	Health Care	1,044	1.4
On the Beach	Quoted	United Kingdom	Consumer Services	1,040	1.4
Judges Scientific	Quoted	United Kingdom	Industrials	1,059	1.5
Lendinvest	Quoted	United Kingdom	Financials	1,034	1.4
tinyBuild	Quoted	United States	Technology	706	1.0
Victorian Plumbing	Quoted	United Kingdom	Industrials	538	0.7
Invinity Energy Systems	Quoted	Jersey	Technology	351	0.5
Velocys	Quoted	United Kingdom	Technology	241	0.3
Total investments				**72,307**	**100.0**
ICF FTSE 250 Index Futures March 2022				76	
Total investments and Derivative Financial Instruments				**72,383**	

Half Year Report

Principal Risks and Uncertainties

The Board has determined that the principal risks and uncertainties for the Company fall into the following categories: strategy risks, market risks; valuation risks; liquidity risks; outsourced service provider risks and legal and regulatory risks. These risks are set out on pages 22 to 23 of the Annual Report and Accounts for the period ended 30 June 2021. The Company's principal risks and uncertainties, and their mitigation, have not materially changed during the six months ended 31 December 2021 or since the Annual Report was published on 5 October 2021.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until 31 March 2023, which is more than twelve months from the date when these financial statements were signed and the Directors have accordingly adopted the going concern basis in preparing the financial statements.

The Board has considered the Company's principal risks and uncertainties including whether there are any emerging risks. They have additionally considered the liquidity of the Company's portfolio of listed investments, the Company's cash balances and the forecast income and expenditure flows as well as commitments to provide further funding to the Company's private equity investee companies; the Company currently has no borrowings. A substantial proportion of the Company's expenditure varies with the value of the investment portfolio. In the event that there is insufficient cash to meet the Company's liabilities, the listed investments in the portfolio may be realised and the Directors have reviewed the average days to liquidate the listed investments. As a result, the Board is comfortable that the Company will have sufficient liquid funds to pay operating expenses. On this basis, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the Company's accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 December 2021.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in April 2021 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Income Statement
For the six months ended 31 December 2021 (unaudited)

	(Unaudited) For the six months ended 31 December 2021			(Audited) For the period ended 30 June 2021[1]		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	–	3,852	3,852	–	6,853	6,853
Gains on derivative contracts	–	131	131	–	1,839	1,839
Gains on foreign exchange	–	–	–	–	71	71
Income from investments	189	–	189	250	–	250
Other interest receivable and similar income	–	–	–	–	–	–
Gross return	189	3,983	4,172	250	8,763	9,013
Investment management fee	(257)	–	(257)	(278)	–	(278)
Performance fee	–	(369)	(369)	–	(402)	(402)
Administrative expenses	(334)	–	(334)	(404)	–	(404)
Transaction costs	–	1	1	–	(116)	(116)
Net (loss)/return before finance costs and taxation	(402)	3,615	3,213	(432)	8,245	7,813
Finance costs	(1)	–	(1)	(1)	–	(1)
Net (loss)/return before taxation	(403)	3,615	3,212	(433)	8,245	7,812
Taxation (note 3)	–	–	–	–	–	–
Net (loss)/return after taxation	(403)	3,615	3,212	(433)	8,245	7,812
(Loss)/return per share (note 4)	(0.54)p	4.82p	4.28p	(0.58)p	10.99p	10.41p

[1]The comparative figures cover the period from the date of incorporation on 21 September 2020, to 30 June 2021. The Company began investing on 1 December 2020.

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

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Statement of Changes in Equity
For the six months ended 31 December 2021

For the six months ended 31 December 2021 (unaudited)

	Called-up share capital £'000	Share premium £'000	Special distributable capital reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 June 2021	750	–	72,765	8,245	(433)	81,327
Net return/(loss) after taxation	–	–	–	3,615	(403)	3,212
At 31 December 2021	**750**	**–**	**72,765**	**11,860**	**(836)**	**84,539**

For the period ended 30 June 2021 (audited)[1]

	Called-up share capital £'000	Share premium £'000	Special distributable capital reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Issue of Management Shares	50	–	–	–	–	50
Redemption of Management Shares	(50)	–	–	–	–	(50)
Issue of Ordinary Shares	750	74,250	–	–	–	75,000
Share issue costs	–	(1,521)	36	–	–	(1,485)
Cancellation of share premium	–	(72,729)	72,729	–	–	–
Net return/(loss) after taxation	–	–	–	8,245	(433)	7,812
At 30 June 2021	**750**	**–**	**72,765**	**8,245**	**(433)**	**81,327**

[1]The comparative figures cover the period from the date of incorporation on 21 September 2020, to 30 June 2021. The Company began investing on 1 December 2020.

Statement of Financial Position at 31 December 2021

	(Unaudited) 31 December 2021 £'000	(Audited) 30 June 2021 £'000
Fixed assets		
Investments held at fair value through profit or loss	**72,307**	64,509
Current assets		
Debtors	**45**	39
Derivative financial instruments held at fair value through profit or loss	**76**	–
Cash at bank and in hand	**13,721**	17,960
	13,842	**17,999**
Current liabilities		
Creditors: amounts falling due within one year	**(1,610)**	(969)
Derivative financial instruments held at fair value through profit or loss	**–**	(212)
	(1,610)	**(1,181)**
Net current assets	**12,232**	**16,818**
Total assets less current liabilities	**84,539**	**81,327**
Net assets	**84,539**	**81,327**
Capital and reserves		
Called–up share capital (note 5)	**750**	750
Capital reserves	**84,625**	81,010
Revenue reserve	**(836)**	(433)
Total equity shareholders' funds	**84,539**	**81,327**
Net asset value per share (note 6)	**112.72p**	**108.44p**

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

Company registration number: 12892325

Cash Flow Statement
For the six months ended 31 December 2021

	(Unaudited) For the six months ended 31 December 2021 £'000	(Audited) For the period ended 30 June 2021[1] £'000
Operating activities		
Total return before taxation	**3,212**	7,812
Less capital return before taxation	**(3,615)**	(8,245)
Increase in prepayments and accrued income	**(1)**	(23)
Increase in other debtors	**(5)**	(16)
Increase in other creditors	**641**	969
Performance fee and transaction costs allocated to capital	**(368)**	(518)
Net cash outflow from operating activities	**(136)**	**(21)**
Investing activities		
Purchases of investments	**(5,560)**	(61,109)
Sales of investments	**1,614**	3,453
Cash (outflow)/inflow from derivative instruments	**(157)**	2,051
Net cash outflow from investing activities	**(4,103)**	**(55,605)**
Net cash outflow before financing	**(4,239)**	**(55,626)**
Financing activities		
Issue of Management Shares	**–**	13
Redemption of Management Shares	**–**	(13)
Issue of Ordinary Shares	**–**	75,000
Share issue costs	**–**	(1,485)
Net cash inflow from financing activities	**–**	**73,515**
Net cash (outflow)/inflow in the period	**(4,239)**	**17,889**
Cash at bank and in hand at the beginning of the period	**17,960**	**–**
Net cash (outflow)/inflow in the period	**(4,239)**	**17,889**
Exchange movements	**–**	**71**
Cash at bank and in hand at the end of the period	**13,721**	**17,960**

[1]The comparative figures cover the period from the date of incorporation on 21 September 2020, to 30 June 2021. The Company began investing on 1 December 2020.

Notes to the Accounts

1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the period ended 30 June 2021 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that period. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

The comparative figures cover the period from the date of incorporation on 21 September 2020, to 30 June 2021. The Company began investing on 1 December 2020.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in April 2021.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the period ended 30 June 2021.

3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The Company intends to continue meeting the conditions required to retain its status as an Investment Trust Company, and therefore no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

4. Return/(loss) per share

	(Unaudited) For the six months ended 31 December 2021 £'000	(Audited) For the period ended 30 June 2021 £'000
Revenue loss	(403)	(433)
Capital return	3,615	8,245
Total return	**3,212**	**7,812**
Weighted average number of shares in issue during the period	75,000,000	75,000,000
Revenue loss per share	(0.54)p	(0.58)p
Capital return per share	4.82p	10.99p
Total return per share	**4.28p**	**10.41p**

Notes to the Accounts

5. Called-up share capital

Changes in called-up share capital during the period were as follows:

	(Unaudited) For the six months ended 31 December 2021 £'000	(Audited) For the period ended 30 June 2021 £'000
Allotted, called-up and fully paid Ordinary Shares of 1p each:		
Opening balance of 75,000,000 (period ended 30 June 2021: nil) shares	750	–
Issue of nil (period ended 30 June 2021: 75,000,000) shares	–	750
Closing balance of 75,000,000 (30 June 2021: 75,000,000) shares	750	750

6. Net asset value per share

	(Unaudited) 31 December 2021 £'000	(Audited) 30 June 2021 £'000
Net assets attributable to shareholders (£'000)	84,539	81,327
Shares in issue at the period end	75,000,000	75,000,000
Net asset value per share	112.72p	108.44p

7. Financial instruments measured at fair value

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

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

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

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

Level 3 – valued using inputs that are unobservable.

At 31 December 2021, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	(Unaudited) 31 December 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities – quoted	47,449	–	–	47,449
– unquoted	–	–	24,858	24,858
Derivative financial instruments – index futures	76	–	–	76
Total	47,525	–	24,858	72,383

At 30 June 2021, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	(Audited) 30 June 2021 Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities – quoted	43,779	–	–	43,779
– unquoted	–	–	20,730	20,730
Derivative financial instruments – index futures	(212)	–	–	(212)
Total	43,567	–	20,730	64,297

There have been no transfers between Levels 1, 2 or 3 during the period, or comparative period.

8. Uncalled capital commitments

At 31 December 2021, the Company had uncalled capital commitments amounting to £2.1 million in respect of follow-on investments, which may be called at any time by investee companies, subject to their achievement of certain milestones and objectives.

9. Events after the interim period that have not been reflected in the financial statements for the interim period

The Directors have evaluated the period since the interim date and have not noted any events which have not been reflected in the financial statements.

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Directors

Neil England (Chairman)
Diana Dyer Bartlett
Tim Jenkinson
Christopher Keljik, OBE

Advisers

Alternative Investment Fund Manager (the "Manager")

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Portfolio Managers

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Shareholder helpline: 0800 389 0306[1]
Website: www.shareview.co.uk

[1]Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the above address and telephone number above.

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the Company's Registered Office.

Dealing Codes

ISIN:	GB00BN7JZR28
SEDOL:	BN7JZR2
Ticker:	SBO

Global Intermediary Identification Number (GIIN)

QML9TQ.99999.SL.826

Legal Entity Identifier (LEI)

5493003UY8LIHFW6HM02

The Company's privacy notice is available on its webpages.

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