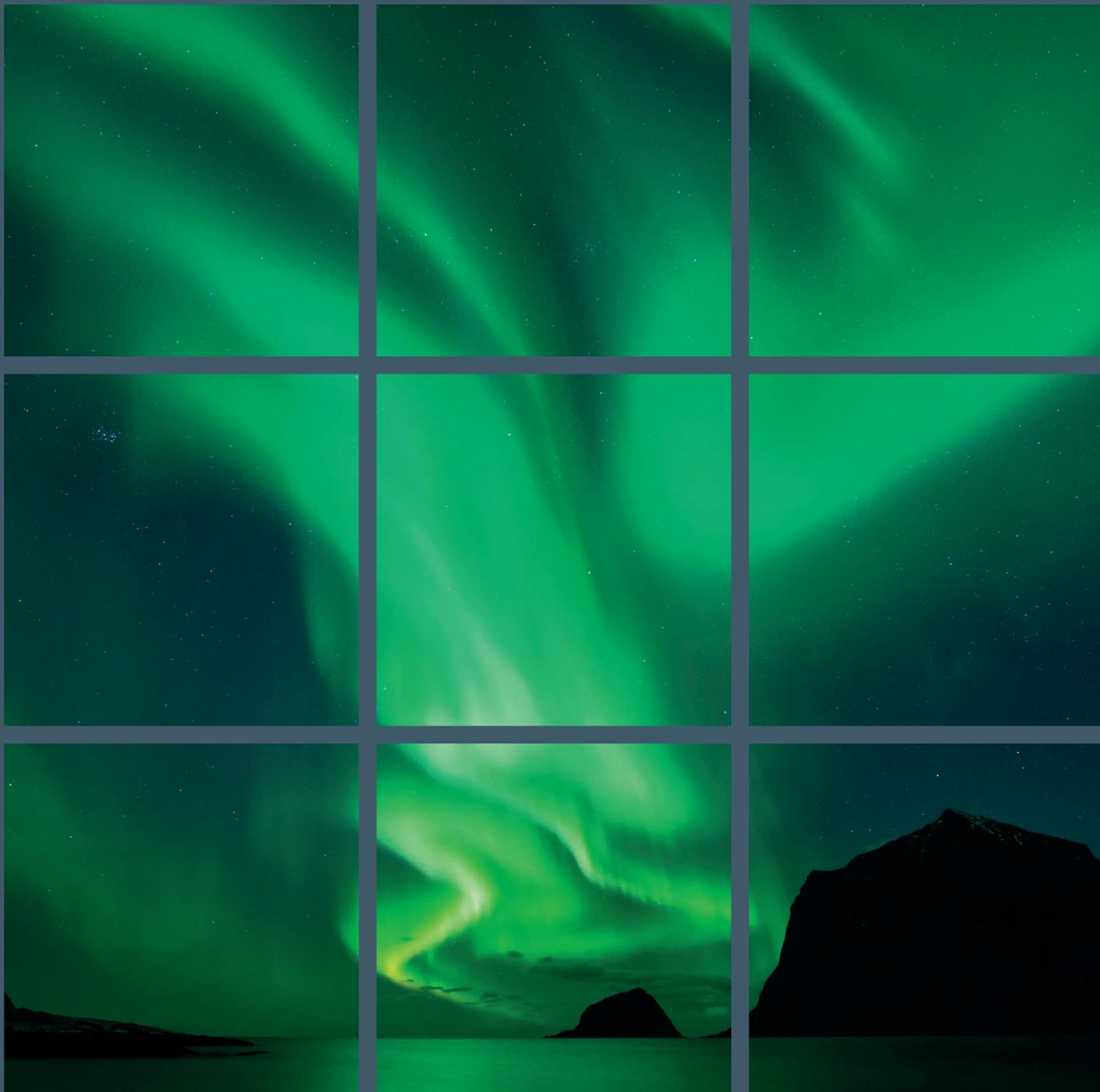


EDINBURGH WORLDWIDE INVESTMENT TRUST plc

Growth companies
shaping our tomorrow



Annual Report and Financial Statements
31 October 2020





Edinburgh Worldwide's objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

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Investor Disclosure Document

The EU Alternative Investment Fund Managers Directive requires certain information to be made available to investors prior to their making an investment in the Company. The Company's Investor Disclosure Document is available for viewing at www.edinburghworldwide.co.uk.

Notes

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Investment trusts are UK public listed companies and as such comply with the requirements of the Financial Conduct Authority. They are not authorised or regulated by the Financial Conduct Authority.

Edinburgh Worldwide Investment Trust plc currently conducts its affairs, and intends to continue to conduct its affairs, so that the Company's ordinary shares can qualify to be considered as a mainstream investment product and can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority in relation to non-mainstream investment products.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take you should consult 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 of your ordinary shares in Edinburgh Worldwide Investment Trust plc, please forward this document, together with any accompanying documents, but not your personalised Form of Proxy or Form of Direction, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

Financial Highlights – Year to 31 October 2020

Share Price +63.9%

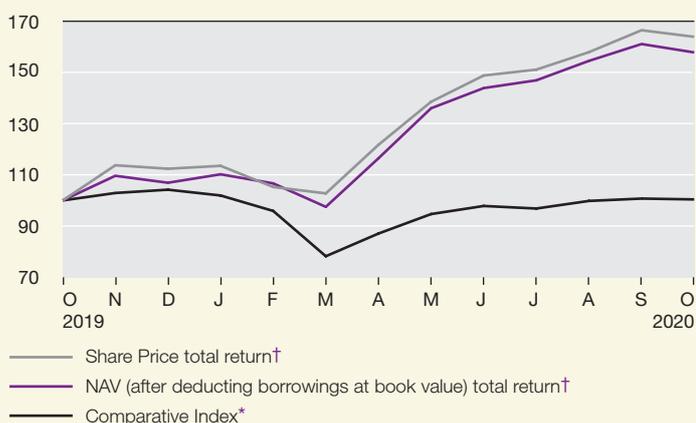
Net Asset Value +57.8%
(borrowings at book value)

Comparative Index +0.4%
(S&P Global Small Cap Index
total return (in sterling terms))

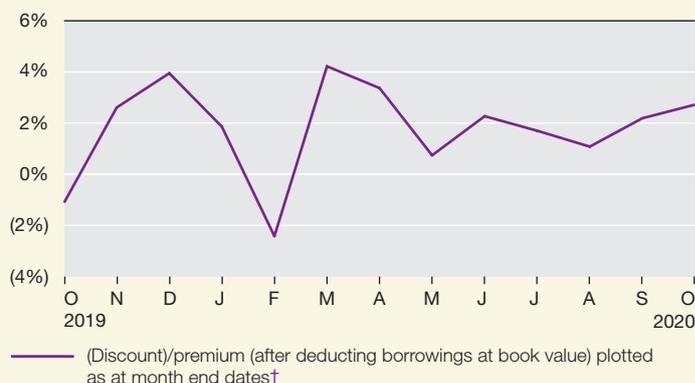
All figures total return.

Net Asset Value, Share Price and Comparative Index

(rebased to 100 at 31 October 2019)



(Discount)/Premium to Net Asset Value



* S&P Global Small Cap Index total return (in sterling terms).

† Alternative performance measure, see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 71.

Past performance is not a guide to future performance.

Company Summary

Investment Policy

Edinburgh Worldwide Investment Trust plc aims to achieve long term capital growth by investing primarily in listed companies throughout the world. Further details of the investment policy are given in the Business Review on page 8.

Comparative Index

The index against which performance is compared is the S&P Global Small Cap Index total return (in sterling terms). Prior to 1 February 2014 the comparative index was the MSCI All Countries World Index (in sterling terms). For periods commencing prior to this date, the returns on these indices for their respective periods are linked together to form a single comparative index.

Management Details

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. The Management Agreement can be terminated on three months' notice.

The annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

Capital Structure

At the year end the Company's share capital consisted of 354,318,695 fully paid ordinary shares of 1p each. The Company currently has powers to buy back shares at a discount to net asset value per share for cancellation or retention as treasury shares as well as to issue shares/sell treasury shares at a premium to net asset value.

AIC

The Company is a member of the Association of Investment Companies.

Strategic Report

This Strategic Report, which includes pages 2 to 22 and incorporates the Chairman's Statement, has been prepared in accordance with the Companies Act 2006.

Chairman's Statement



Covid-19

Much of the period under review has been overshadowed by the Covid-19 pandemic. Quite apart from the devastating human cost, this pandemic has also created enormous economic and business disruption. In response to these challenges, Baillie Gifford and other third-party service providers have adopted remote working practices and protocols, making full use of technology, in order to continue to provide a full service that has progressed uninterrupted. I am pleased to report that, as a result of these efforts, the oversight and management of the Company's affairs has proceeded without significant dislocation due to the pandemic. However, there have, of course, been some enforced operational changes to the way we operate, for instance undertaking Board meetings online and the restrictions on holding physical General Meetings of the Company.

Asymmetry of Returns



Source: StatPro since 31 January 2014 to 31 October 2020, in sterling terms.

* See disclaimer on page 71.

† Calculated by dividing the value of sales by the average of the opening and closing value of the investment portfolio.

For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Past performance is not a guide to future performance.

Performance

In the year to 31 October 2020, the Company's net asset value ('NAV') per share, when calculated by deducting borrowings at fair value, increased by 57.8% and the share price by 63.9%, both in total return terms. The comparative index, the S&P Global Small Cap Index* total return, increased by 0.4% in sterling terms during this period. Over the course of the financial year the share price averaged a 2.0% premium to net assets, with borrowings deducted at par value. Portfolio turnover† was 8.4% compared to 4.5% in 2019 and the ongoing charges have reduced to 0.72% from 0.75%.

Over the last twelve months the majority of holdings in the portfolio have contributed to the good relative and absolute performance. Of note has been the performance of: Tesla, an electric car, autonomous driving and solar energy company; Ocado, an online grocery retailer and technology provider; Teladoc, a telemedicine service provider; and Chegg, an online education company. In aggregate, the underlying performance of the holdings in the portfolio continues to progress as hoped and in some cases events of the past year have accelerated this trend. Greater detail on this can be found within the Managers' Review on pages 12 to 14.

The Company's portfolio has been managed with a focus on the opportunity set lower down the market capitalisation spectrum since the end of January 2014 and I would recommend shareholders read the portfolio managers' articulation of their investment practice and philosophy in the Managers' Review and the subsequent pages. It is pleasing to note the 221.9% growth in the NAV (total return) since then is significantly ahead of the 83.8% achieved by the comparative index. The chart below shows the distribution of returns for all the stocks held within the portfolio since 31 January 2014; each bar representing the return of each stock whilst held in the portfolio. This cumulative period holding analysis shows the broad distribution of returns achieved by the holdings from time of initial purchase to 31 October 2020 or the date in which the holding was fully sold from the portfolio.

Share Buybacks, Treasury and Issuance

The Company will once again be seeking to renew its share buyback, issuance and treasury share authorities. The buyback facility is sought to allow the Company to buy back its own shares when the discount is substantial in absolute terms and relative to its peers. Issuance, either from treasury or of new shares, will only be undertaken at a premium to the prevailing NAV, with debt calculated at par, in order to satisfy natural market demand. Issuance at a premium enhances the NAV per share for existing shareholders, dilutes ongoing costs and helps with the trading liquidity of the shares of the Company.

At the end of October 2019, the Company had a market capitalisation of around £530.8 million and was a constituent of the FTSE Small Cap Index. Twelve months on, this was £1,018.7 million and the Company is now a constituent of the FTSE 250 Index, having been promoted over the summer. Over the course of the last financial year, the Company has issued over 51.7 million new shares at a premium to its NAV, raising net proceeds of £133.0 million and increasing the NAV per share by 0.44%. This equates to 17.1% of the issued share capital at the start of the year and the Company has published a Prospectus in order to enable it to issue more than 20% over a twelve-month period. Stock issuance, along with good investment performance and the tiered management fee, has contributed to the reduction in the Company's ongoing charges for the year.

Unlisted Investments

The Managers have shareholder authority to invest up to 15% of the Company's total assets, at the time of initial investment, in unlisted investments. As at the Company's year end, the portfolio weighting in unlisted investments stood at 5.8% of total assets, invested in nine companies (2019 – 5.5% of total assets in seven companies). Two new unlisted investments were made during the year: Epic Games, a US gaming platform; and, Graphcore Limited, a UK developer of intelligent computing solutions. Additions were made to the existing investments in Oxford Nanopore Technologies, Reaction Engines and Space Exploration Technologies ('SpaceX'). The other unlisted investments in the portfolio are Akili Interactive Labs, KSQ Therapeutics, PsiQuantum and Spire Global.

Borrowings

The extent and range of equity gearing is discussed by the Board and Managers at each Board meeting. Both parties agree that the Company should typically be geared to equities to maximise potential returns, with the current aspirational parameters set at +5% to +15% of shareholders' funds. Over the year, the invested equity gearing ranged between -1.0% and +6.6%, and stood at +0.9% of shareholders' funds at the financial year end (2019 – +6.6%).

As at 31 October 2020, the Company had a five year £25 million revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023 and an additional five year £36 million revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024. As at 31 October 2020, the Company had drawings of €2,821,800, US\$37,090,500 and £17,500,000 (equating to total borrowings of £48,728,000 in sterling terms).

Earnings and Dividend

The Company's objective is that of generating capital growth and investors should not expect any income from this investment. This year the net revenue return per share was a negative 0.46p (2019 – negative 0.23p). As the revenue account is running at a deficit, no final dividend is being recommended by the Board. Should the level of underlying income increase in future years, the Board will seek to distribute to shareholders the minimum permissible to maintain investment trust status by way of a final dividend.

Board Composition

I am pleased to report that during the course of the year both Ms Caroline Roxburgh and Mr Jonathan Simpson-Dent were appointed to the Board with effect from 1 February 2020. Caroline, a qualified Chartered Accountant, is a former partner with a global professional services firm and has over thirty years' experience advising boards on business management, risk and assurance. Jonathan, also a qualified Chartered Accountant, has spent the majority of his career running entrepreneurial private equity and listed mid-cap businesses across multiple sectors. Both appointments fall to be ratified by shareholders as part of the 20 January 2021 Annual General Meeting business. Further information on their respective backgrounds can be found on pages 23 and 24.

In my report last year, I highlighted that Mr William Ducas intended to retire from the Board in 2020. Due to the uncertainties arising from the Covid-19 pandemic, and bearing in mind that the Board has been unable to meet in person since January 2020, the Board has asked William to defer his retirement in order to provide continuity and to enable the Company to benefit from his considerable experience. Accordingly, William will stand for re-election to the Board for one final time. It is intended that William will retire from the Board by the end of June, 2021.

Investment Outlook

The past year has been marked by continued market turbulence and dislocation driven largely as a consequence of Covid-19. Further uncertainty has been created by the US Presidential election and, closer to home, the continuing Brexit negotiations. Rather than focusing on macro-economic developments, your portfolio managers continue to direct their efforts to picking the best entrepreneurial, immature growth companies that create and exploit investment opportunities, and which exhibit excellent long-term growth prospects.

Enforced or abrupt shocks to the system act to melt away inertia. Events of 2020 have seemingly accelerated the rate of change that companies and business models are undergoing with a push for more flexibility across multiple fronts and digital-first models prevailing. Your Company's portfolio is well-positioned for this. It should not come as a surprise therefore that the portfolio managers and Board remain enthused by the prospects for the holdings within the portfolio. Whilst markets exhibit volatility, the investment trust structure permits the portfolio managers and discerning long-term investors to take positions in exciting, dynamic and innovative companies for the long term.

An overview of the portfolio is provided on pages 12 to 14.

Annual General Meeting

The Annual General Meeting of the Company will be held at Baillie Gifford's offices in Edinburgh at 12 noon on Wednesday 20 January 2021. It is intended that the meeting itself will involve the minimum number of people necessary for it to be quorate. The Directors consider that all resolutions put to shareholders are in their and the Company's best interests as a whole and recommend that shareholders vote in their favour.

As a consequence of Covid-19 and the uncertainty regarding government policy on group meetings, shareholders are being encouraged to submit their votes by proxy ahead of the meeting rather than attempt to do so in person; anyone not authorised to attend will likely be declined entry for health reasons. Should shareholders have questions for the Board or the Managers they are welcome as always to submit them by email to trustenquiries@bailliegifford.com or call 0800 917 2112. Should the situation change, further information will be made available through the Company's website at www.edinburghworldwide.co.uk and the London Stock Exchange regulatory news service. Further information, including the proposed resolutions and information on the deadlines for submitting votes by proxy, can be found on pages 65 to 67. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy and there are also special arrangements for holders of shares through the Aberdeen Standard Investments Share Plan, Individual Savings Account and Investment Plan for Children who are provided with a Form of Direction. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to submit votes in advance of the Annual General Meeting.

Henry CT Strutt
Chairman
9 December 2020

One Year Summary*

The following information illustrates how Edinburgh Worldwide has performed over the year to 31 October 2020.

	31 October 2020	31 October 2019	% change
Total assets (before deduction of loans)	£1,040.5m	£585.3m	
Loans	£48.7m	£48.6m	
Shareholders' funds	£991.7m	£536.7m	
Net asset value per ordinary share (after deducting borrowings at book value)	279.90p	177.37p	57.8
Share price	287.50p	175.40p	63.9
S&P Global Small Cap Index capital return (in sterling terms) [†]			0.4
Dividends paid and proposed per ordinary share	Nil	Nil	
Revenue loss per ordinary share	(0.46p)	(0.23p)	100.0
Ongoing charges [#]	0.72%	0.75%	
Premium/(discount) (borrowings at book value) [#]	2.7%	(1.1%)	
Active share [#]	98%	99%	

Year to 31 October	2020	2020	2019 [‡]	2019 [‡]
Year's high and low	High	Low	High	Low
Share price	310.00p	132.00p	205.60p	143.60p
Net asset value (after deducting borrowings at fair value) [#]	305.17p	155.07p	201.34p	142.87p
Net asset value (after deducting borrowings at book value)	305.17p	155.07p	201.36p	142.89p
Premium/(discount) (borrowings at fair value) [#]	10.5%	(20.1%)	4.9%	(6.5%)
Premium/(discount) (borrowings at book value) [#]	10.5%	(20.1%)	4.8%	(6.5%)

	31 October 2020	31 October 2019
Net return per ordinary share		
Revenue	(0.46p)	(0.23p)
Capital	100.89p	11.57p
Total	100.43p	11.34p

Performance since broadening of investment policy	31 October 2020	31 January 2014 [‡]	% change capital	% change total return
81 months from 31 January 2014				
Net asset value per ordinary share (after deducting borrowings at fair value) [#]	279.90p	87.34p	220.5	221.9
Net asset value per ordinary share (after deducting borrowings at book value)	279.90p	87.43p	220.1	221.6
Share price	287.50p	81.00p	254.9	256.7
Comparative Index (in sterling terms) [¶]			61.2	83.8

*For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

[†]Source: Refinitiv/Baillie Gifford and relevant underlying index providers. See disclaimer on page 71.

[#]Alternative performance measure, see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

[‡]All per share figures have been restated for the five for one share split on 28 January 2019.

[¶]S&P Global Small Cap Index total return (in sterling terms).

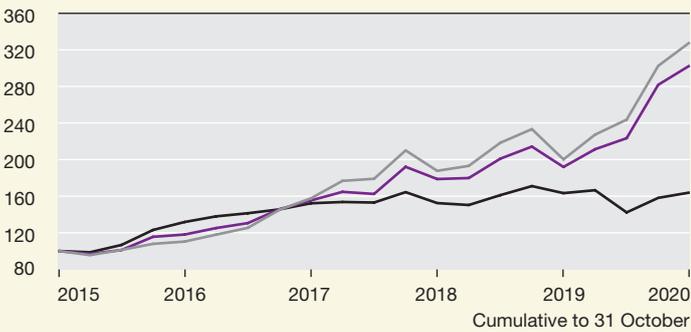
Past performance is not a guide to future performance.

Five Year Summary*

The following charts indicate how Edinburgh Worldwide has performed relative to its comparative index† and the relationship between share price and net asset value over the five year period to 31 October 2020.

Five Year Total Return Performance

(figures rebased to 100 at 31 October 2015)



Source: Refinitiv and relevant underlying index providers

- Share price total return
- NAV (after deducting borrowings at fair value) total return
- Comparative index†

(Discount)/Premium to Net Asset Value

(plotted on a monthly basis)

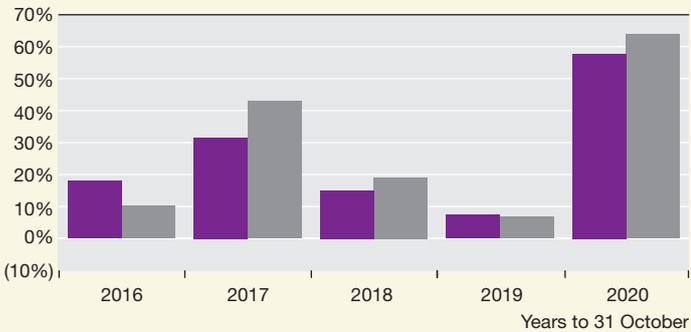


Source: Refinitiv/Baillie Gifford

- Edinburgh Worldwide (discount)/premium

The (discount)/premium is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (after deducting borrowings at fair value).

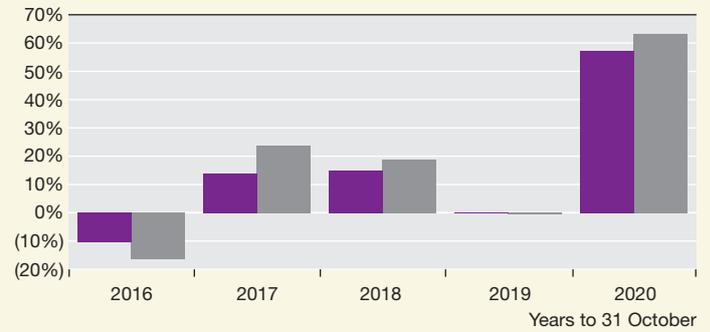
Annual Net Asset Value and Share Price Total Returns



Source: Refinitiv

- NAV (after deducting borrowings at fair value) total return
- Share price total return

Relative Annual Net Asset Value and Share Price Total Returns (relative to the benchmark total return)



Source: Refinitiv and relevant underlying index providers#

- NAV (after deducting borrowings at fair value) total return relative to the comparative index†
- Share price total return relative to the comparative index†

* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

† The comparative index is the S&P Global Small Cap Index total return (in sterling terms).

See disclaimer on page 71.

Past performance is not a guide to future performance.

Ten Year Record*

Capital

At 31 October	Total assets † £'000	Borrowings £'000	Shareholders' funds £'000	Net asset value per share (fair) # p	Net asset value per share (book) # p	Share price p	Premium/ (discount) (fair) ‡ %	Premium/ (discount) (book) ‡ %
2010	177,716	(24,803)	152,913	62.41	62.41	55.00	(11.9)	(11.9)
2011	179,621	(29,981)	149,640	60.85	61.07	52.80	(13.2)	(13.5)
2012	186,209	(29,318)	156,891	63.79	64.03	56.10	(12.0)	(12.4)
2013	241,969	(29,823)	212,146	86.46	86.58	81.00	(6.3)	(6.4)
2014	237,224	(30,862)	206,362	84.12	84.22	77.00	(8.5)	(8.6)
2015	258,155	(30,799)	227,356	92.55	92.79	87.60	(5.3)	(5.6)
2016	305,520	(36,908)	268,612	109.23	109.63	96.60	(11.6)	(11.9)
2017	387,863	(35,024)	352,839	143.78	144.00	138.10	(3.9)	(4.1)
2018	521,102	(48,628)	472,474	165.14	165.16	164.40	(0.5)	(0.5)
2019	585,314	(48,596)	536,718	177.37	177.37	175.40	(1.1)	(1.1)
2020	1,040,462	(48,728)	991,734	279.90	279.90	287.50	2.7	2.7

† Total assets comprise all assets held less all liabilities other than liabilities in the form of borrowings.

Net asset value per ordinary share has been calculated after deducting long term borrowings at either book value or fair value (see note 16, page 63 and Glossary of Terms and Alternative Performance Measures on pages 72 and 73).

‡ Premium/(discount) is the difference between Edinburgh Worldwide's quoted share price and its underlying net asset value (deducting borrowings at either book or fair value) expressed as a percentage of net asset value. See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Revenue

Year to 31 October	Income £'000	Net return after tax £'000	Revenue earnings per ordinary share p	Dividend paid and proposed per ordinary share (net) p	Ongoing charges % ¶	Ongoing charges (incl. performance fee) § %	Gearing ^ %	Potential gearing ** %
2010	1,931	910	0.37	0.40	1.03	1.06	14	16
2011	2,412	1,231	0.50	0.40	1.02	1.02	14	20
2012	2,414	1,225	0.50	0.40	1.02	1.02	17	19
2013	1,987	823	0.34	0.40	0.99	0.99	8	14
2014	1,186	68	0.03	0.40	0.92	0.92	10	15
2015	1,106	(90)	(0.04)	Nil	0.93	0.93	10	14
2016	1,178	(61)	(0.02)	Nil	0.92	0.92	9	14
2017	1,268	149	0.06	Nil	0.87	0.87	9	10
2018	1,270	(497)	(0.19)	Nil	0.81	0.81	5	10
2019	1,229	(684)	(0.23)	Nil	0.75	0.75	7	9
2020	773	(1,479)	(0.46)	Nil	0.72	0.72	1	5

¶ Total operating costs divided by average net asset value (with debt at fair value). Figures prior to 2012 have not been recalculated as the change in methodology is not considered to result in a materially different figure. See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

§ Total operating costs divided by average net asset value (with debt at fair value). No performance fee is payable under the current management fee arrangements (see note 3 on page 51 and Glossary of Terms and Alternative Performance Measures on pages 72 and 73).

^ Borrowings less cash and cash equivalents expressed as a percentage of shareholder's funds. See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

** Borrowings expressed as a percentage of shareholders' funds. See Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Gearing Ratios

Cumulative Performance (taking 2010 as 100)

At 31 October	Net asset value per share (at fair)	Net asset value total return (at fair) ^^	Comparative index ††	Comparative index total return ^^	Share price	Share price total return ^^	Retail price index
2010	100	100	100	100	100	100	100
2011	98	98	97	100	96	97	105
2012	102	104	103	109	102	104	109
2013	139	141	125	136	147	150	112
2014	135	138	126	140	140	144	114
2015	148	152	131	148	159	164	115
2016	175	180	169	194	176	181	117
2017	230	236	191	225	251	259	122
2018	265	272	188	225	299	308	126
2019	284	292	197	241	319	329	129
2020	448	460	195	242	523	538	130

Compound annual returns

5 year	24.8%	24.8%	8.3%	10.4%	26.8%	26.8%	2.5%
10 year	16.2%	16.5%	6.9%	9.2%	18.0%	18.3%	2.7%

^^ Source: Refinitiv and relevant underlying index providers. See disclaimer on page 71. †† MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index (in sterling terms). The index data has been chain linked to form one comparative index figure.

* For a definition of terms see Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

All per share figures have been restated for the five for one share split on 28 January 2019. Past performance is not a guide to future performance.

Business Review

Business Model

Business and Status

Edinburgh Worldwide Investment Trust plc ('the Company') is a public company limited by shares and incorporated in Scotland. 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. Investment trusts are UK public listed companies and their shares are traded on the London Stock Exchange. They invest in a portfolio of assets in order to spread risk. The Company has a fixed share capital although, subject to shareholder approval sought annually, it may purchase its own shares or issue shares. The price of the Company's shares is determined, like other listed shares, by supply and demand.

The Company has been approved as an investment trust by HM Revenue & Customs subject to the Company continuing to meet the eligibility conditions. The Directors are of the opinion that the Company has continued to conduct its affairs so as to enable it to comply with the ongoing requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Company is an Alternative Investment Fund for the purposes of the EU Alternative Investment Fund Managers Directive.

Objective and Policy

The Company's current investment objective and policy is set out below.

Edinburgh Worldwide's investment objective is the achievement of long term capital growth by investing primarily in listed companies throughout the world.

While the policy is global investment, the approach adopted is to construct a portfolio through the identification of individual companies which offer long term growth potential, normally over at least a five year horizon and which typically have a market capitalisation of less than US\$5bn at the time of initial investment. The portfolio is actively managed and does not seek to track the comparative index hence a degree of volatility against the index is inevitable.

In constructing the equity portfolio a spread of risk is achieved by diversifying the portfolio through investment in:

- 75 to 125 holdings;
- a minimum of 6 countries; and
- a minimum of 15 industries.

On acquisition, no holding shall exceed 5% of total assets and no more than 15% of the Company's total assets will be invested in other listed investment companies. No more than 10% of the Company's total assets will be invested in other pooled vehicles, such as open ended funds.

Unlisted investments may be held. On acquisition of any unlisted investment, the Company's aggregate holding in unlisted investments shall not exceed 15% of total assets. From time to time, fixed interest holdings or non equity investments, may be held on an opportunistic basis.

Derivative instruments are not normally used but, in certain circumstances and with the prior approval of the Board, their use may be considered either as a hedge or to exploit an investment opportunity.

The Company recognises the long term advantages of gearing and would seek to have a maximum gearing level of 30% of shareholders' funds in the absence of exceptional market conditions.

Borrowings are invested when it is considered that investment grounds merit the Company taking a geared position. Gearing levels, and the extent of gearing, are discussed by the Board and Managers at every Board Meeting.

Performance

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives.

Key Performance Indicators

The key performance indicators ('KPIs') used to measure the progress and performance of the Company over time are established industry measures and are as follows:

- the movement in net asset value per ordinary share (after deducting borrowings at fair value);
- the movement in the share price;
- the movement of the net asset value and share price compared to the comparative index;
- the premium/discount of the share price to the net asset value per share; and
- the ongoing charges.

An explanation of these measures can be found in the Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

The one, five and ten year records of the KPIs are shown on pages 5, 6 and 7, respectively.

Borrowings

At 31 October 2020 and 31 October 2019 the Company had a five year £25 million revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023 and a five year £36 million revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024. At 31 October 2020 the drawings were €1,410,900, US\$18,545,250 and £9,185,037 under the £25 million floating rate facility and €1,410,900, US\$18,545,250 and £8,314,963 under the £36 million floating rate facility. At 31 October 2019 the drawings were €1,410,900, US\$18,545,250 and £8,750,000 under each of the two revolving credit facilities (see note 10 on page 55 for the sterling equivalent at each year end).

Principal and Emerging Risks

As explained on page 31 there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no significant changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below.

The Board considers the coronavirus (Covid-19) pandemic and Brexit to be factors which exacerbate existing risks, rather than new emerging risks. Their impact is considered within the relevant risks.

Financial Risk – the Company's assets consist mainly of listed securities and its principal financial risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 16 to the Financial Statements on pages 57 to 63. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus outbreak. As oversight of this risk, the Board considers at each meeting various metrics including the composition and diversification of the portfolio by geographies, sectors and capitalisation along with sales and purchases of investments. Individual investments are discussed with the portfolio managers together with their general views on the various investment markets and sectors. A strategy meeting is held annually. The Board has considered the potential impact on sterling from the remaining Brexit related uncertainties. The value of the Company's investment portfolio would be affected by any impact, positively or negatively, on sterling but would be partially offset by the effect of exchange movements on the Company's US\$ and € denominated borrowings.

Investment Strategy Risk – pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value. To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy, the investment portfolio and its performance, the level of discount/premium to net asset value at which the shares trade and movements in the share register and raises any matters of concern with the Managers.

Discount Risk – the discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company. The Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares or issue shares (including authority to sell shares held in treasury), when deemed by the Board to be in the best interests of the Company and its shareholders.

Regulatory Risk – failure to comply with applicable legal and regulatory requirements such as the tax rules for investment trust companies, the FCA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance Departments provide regular reports to the Audit and Management Engagement Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment

trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes, and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.

Custody and Depositary Risk – safe custody of the Company's assets may be compromised through control failures by the Depositary, including breaches of cyber security. To monitor potential risk, the Audit and Management Engagement Committee receives six monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers who also agree uncertificated unlisted portfolio holdings to confirmations from investee companies. In addition, the existence of assets is subject to annual external audit and the Custodian's audited internal controls reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns investigated.

Small Company Risk – the Company has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions. To mitigate this risk, the Board reviews the investment portfolio at each meeting and discusses the merits and characteristics of individual investments with the Managers. A spread of risk is achieved by holding stocks classified across at least fifteen industries and six countries.

Unlisted Investments – the Company's risk is increased by its investment in unlisted investments. These assets may be more difficult to buy or sell, so changes in their prices may be greater. To mitigate this risk, the Board considers the unlisted investments in the context of the overall investment strategy and provides guidance to the Managers on the maximum exposure to unlisted investments.

The emergence of the Covid-19 pandemic has heightened the estimation uncertainty for each of the unquoted investments held. The Managers have categorised each portfolio company as being subject to potentially higher or lower estimation uncertainty by considering a range of factors including the potential disruption to business activities caused by measures adopted to tackle the spread of Covid-19 and the availability and extent of cash resources and have been monitoring the valuations with greater frequency.

Operational Risk – failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets. To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption (including any disruption resulting from the coronavirus outbreak) or major disaster. Since the introduction of the Covid-19 restrictions, almost all Baillie Gifford staff have been working from home and operations have continued very largely as normal. The Audit and Management Engagement Committee reviews Baillie Gifford's

Report on Internal Controls and the reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.

Leverage Risk – the Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the impact of this loss. If borrowing facilities are not renewed, the Company may have to sell investments to repay borrowings. To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting. Covenant levels are monitored regularly. Details of the Company's current borrowing facilities and drawings can be found in note 10 on page 55. The majority of the Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found in note 18 on page 64 and the Glossary of Terms and Alternative Performance Measures on pages 72 and 73.

Political and Associated Economic Risk – the Board is of the view that political change in areas in which the Company invests or may invest may have practical consequences for the Company. Political developments are closely monitored and considered by the Board. Following the departure of the UK from the European Union on 31 January 2020, the Board continues to assess the potential consequences for the Company's future activities. Whilst there remains considerable uncertainty, the Board believes that the Company's global portfolio, with only a moderate exposure to the United Kingdom, positions the Company to be suitably insulated from Brexit-related risk.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, that the Directors assess the prospects of the Company over a defined period, the Directors have elected to do so over a period of five years. The Directors continue to believe this period to be appropriate as it is reflective of the longer term investment strategy of the Company, and to be a period during which, in the absence of any adverse change to the regulatory environment and to the favourable tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal risks facing the Company nor to the adequacy of the mitigating controls in place. Furthermore, the Directors do not reasonably envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of the Company's principal and emerging risks and uncertainties as detailed on pages 8 to 10 and in particular the impact of market risk where a significant fall in the global equity markets would adversely impact the value of the Company's investment portfolio. The Directors have also considered the Company's leverage and liquidity in the context of the unsecured floating rate loan facilities which are due to expire in June 2023 and September 2024, the income and expenditure projections and the fact that the Company's

investments comprise mainly readily realisable quoted equity securities which can be sold to meet funding requirements if necessary. Specific leverage and liquidity stress testing was conducted during the year, including consideration of the risk of further market deterioration resulting from the coronavirus outbreak. The stress testing did not indicate any matters of concern. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. In addition, as substantially all of the essential services required by the Company are outsourced to third party service providers, this allows key service providers to be replaced at relatively short notice where necessary.

The Board has specifically considered the UK's departure from the European Union on 31 January 2020 and does not consider that this would affect the going concern status or viability of the Company.

Based on the Company's processes for monitoring operating costs, share price discount/premium, the Managers' compliance with the investment objective, asset allocation, the portfolio risk profile, leverage, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years as a minimum.

Promoting the Success of the Company (Section 172 Statement)

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would 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 (amongst other matters and to the extent applicable) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

In this context, having regard to Edinburgh Worldwide being an externally managed investment company with no employees, the Board considers the Company's key stakeholders to be: its existing and potential shareholders; its externally-appointed Manager (Baillie Gifford); other professional service providers (corporate broker, registrar, auditor and depositary); lenders; wider society and the environment where applicable.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term growth, in line with the Company's stated objective and strategy, and meet the highest standards of

legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements. The Board's methods for assessing the Company's progress in the context of its stakeholders' interests are set out below.

The Board places great importance on communication with shareholders. The Annual General Meeting provides the key forum for the Board and Managers to present to shareholders on the Company's performance, future plans and prospects. It also allows shareholders the opportunity to meet with the Board and Managers and raise questions and concerns. The Chairman is available to meet with shareholders as appropriate independently of the Managers. The Managers communicate regularly with current and potential shareholders and their representatives, reporting their views back to the Board. Directors can also attend investor presentations, in order to gauge sentiment first hand. Investors may also communicate with members of the Board at any time by writing to them at the Company's registered office or to the Company's broker. These communication opportunities help inform the Board when considering how best to promote the success of the Company for the benefit of all stakeholders over the long term. The Board of Edinburgh Worldwide Investment Trust plc (Edinburgh Worldwide) recognises the public health risk associated with the Covid-19 outbreak arising from public gatherings and notes the continuing Government's measures restricting such gatherings, travel and attendances at workplaces. At the same time, the Board is conscious of the legal requirement for Edinburgh Worldwide to hold its AGM before the end of April 2021. Given the current uncertainty around when public health concerns will have abated, the Board has for the time being decided to aim to follow the Company's corporate timetable and, accordingly, the Company's AGM is being convened to take place at 12 noon on Wednesday, 20 January 2021, most likely without access for shareholders. The Board will, however, continue to monitor developments and any changes will be advised to shareholders and details will be updated on the Company's website.

The Board seeks to engage with its Managers and other service providers in a collaborative and collegiate manner, encouraging open and constructive discussion and debate, whilst also ensuring that appropriate and regular challenge is brought and evaluation conducted. This approach aims to enhance service levels and strengthen relationships with the Company's providers, with a view to ensuring the interests of the Company are best served by keeping cost levels proportionate and competitive, and by maintaining the highest standards of business conduct.

Whilst the Company's operations are limited, as third-party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of environmental, social and governance ('ESG') matters is an important part of its responsibility to all stakeholders and that consideration of ESG factors sits naturally with the Managers' longstanding aim of providing a sustainable basis for adding value for shareholders.

The Board recognises the importance of keeping the interests of the Company and its stakeholders, in aggregate, and of acting fairly between them, firmly front of mind in its key decision making. The Company Secretaries are at all times available to the Board to ensure that suitable consideration is given to the range of factors to which the Directors should have regard. In addition to ensuring that the Company's stated investment objective was being pursued, key decisions and actions during the year which required the Directors to have regard to applicable section 172 factors included:

- as part of ongoing Board succession and refreshment, the appointment and induction of Ms Caroline Roxburgh and Mr Jonathan Simpson-Dent on 1 February 2020 (see pages 23 and 24). These appointments are consistent with the AIC Corporate Governance Code principle that 'a successful company is led by an effective board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society';
- the raising of over £133 million from new share issuance, at a premium to net asset value, in order to satisfy investor demand over the year, which also serves the interests of current shareholders by reducing costs per share and helping to further improve liquidity;
- once its existing authority had been utilised, issuing two separate Circulars and a Prospectus and seeking shareholder approval on two separate occasions to enable the Company to issue more shares on a premium to net asset value to satisfy ongoing investor demand; and
- the Company being promoted to the FTSE 250 index and the additional reporting requirements.

Employees, Human Rights and Community Issues

The Board recognises the requirement to provide information about employees, human rights and community issues. As the Company has no employees, all its Directors are non-executive and all its functions are outsourced, there are no disclosures to be made in respect of employees, human rights and community issues.

Gender Representation

The Board comprises seven Directors, five male and two female. The Company has no employees. The Board's policy on diversity is set out on page 30.

Environmental, Social and Governance Policy

Details of the Company's policy on socially responsible investment can be found under Corporate Governance and Stewardship on page 32.

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 slavery and human trafficking statement. In any event, the Company considers its supply chains to be of low risk as its suppliers are typically professional advisers. A statement by the Managers under the Act has been published on the Managers' website at www.baillieghifford.com.

Managers' Review

What we seek to offer

Investing the hard-earned savings of others is a privilege. That feeling carries even greater significance when the potential outcomes from that investment go beyond financial returns and have a real-world benefit. However, we do not say that out of any sense of self-importance for what we seek to do as growth investors. Our preference towards ambitious, 'problem-solving' companies comes from a belief that the innovation and progress that they foster can significantly improve the quality of outcomes in a diverse range of industries over the long term. We concede that such a process is fiendishly difficult to track with standard economic or financial metrics. But given patience and an acceptance of delayed gratification the outcomes can be substantial – both in terms of financial returns but also in the benefits which can accrue to the wider world along the way.

As the frontiers of innovation continue to broaden and deepen, we are encouraged to find the opportunities, perhaps even the requirement, for this dual-faceted approach to investment are growing. We see several illustrations of this in the stocks which have driven the Company's asset growth over the past year and also in the recent additions to the portfolio, both discussed in greater detail later in this report.

In seeking out companies that can really make a difference we prefer to point our idea-generation radar lower down the market capitalisation spectrum. The reason for this is twofold. First, the traits that we believe are most associated with propelling companies on a path to greatness seem to be more commonly associated with younger, highly ambitious smaller companies (even if such companies are still rare in absolute frequency). Such traits include a willingness to experiment with new approaches, a vision that identifies and works towards a better way of solving a problem, the ability to galvanise a team around an ambitious goal, retaining a degree of nimbleness and entrepreneurial tenacity to adapt to the evolving challenge. To be clear, such traits are not exclusive to ambitious smaller companies, but their applicability and impact often count for more if allowed to flourish outside the constraints of bureaucracy and a large company mindset. Second, to really unlock the compounding power of long-term growth investing we believe it is important to identify high potential businesses early on their evolutionary path. We fully recognise that identifying opportunities 'early' doesn't necessarily map perfectly to them being 'small' companies in stock market terms (an important reasoning behind our growing base of unlisted holdings in the portfolio). However, the broad tenet of a company's size potentially capturing latent, undiscovered potential holds true given the tendency of stock markets to pay only for what they can see.

Whereas positive share price performance in some of the portfolio holdings means they can no longer be conventionally labelled as 'small' we believe they retain many of the attributes that initially attracted us to them. Moreover, these attributes can now synergise with operational progress and commercial clout. While the price appreciation unavoidably eats into some of the pure potential these companies initially offered us, a more relevant impact is likely to be a marked derisking of progress from this point onwards. They may not be 'small' but they are immature to where we believe they might ultimately reach and their early success on that journey makes us more confident that they can progress from being good to truly great investments.

Reflections on the current year

2020 has witnessed a truly staggering turn of events with enforced adaptation by individuals, institutions, business and society. While the costs to healthcare systems are still widespread and ongoing, there does at least appear to be a path to progress based on a deeper understanding of Covid-19 as a disease and therapeutic agents that can either mitigate its impact or severely blunt its spread. In under a year since an unknown, insidious pathogen emerged it has been extensively characterised, a range of diagnostic tests developed, therapies fast-tracked and vaccines developed and extensively tested. The speed at which this insight has been gleaned and then harnessed is breath-taking and speaks to much of the accelerated entrepreneurial spirit we discussed earlier.

In this year's Interim Report, we explored what might be the legacy of the Covid-19 pandemic. We noted that previous unexpected crises, albeit very different in nature to the pandemic, had typically served as longer term catalysts for a change in behaviours and propelled a new wave of business opportunity. At the core of this thesis is the belief that constraints breed resourcefulness and ingenuity, something we feel to be both micro and macro in scope. In its simplest form it encourages adaptability at the individual level: an openness to engage with new practices through the melting away of embedded scepticism and inertia. In its more abstract form, it will provide the fuel to the innovators and the entrepreneur to build for the future.

Our growing sense is that this adaptation will underpin an acceleration in the rate of change across many aspects of our lives. Much has been written around the immediate adaption that was required: the surging e-commerce orders, the rapid shift to digital forms for delivering healthcare, education and entertainment etc. While some of this will undoubtedly normalise, in many cases it will simply whet the appetite amongst both consumers and businesses as to just what is possible. Greater volume through these channels will drive the virtuous circle of scale, greater investment and ongoing improvement. In many areas it feels as if the path to offerings that are both better and cheaper is tantalisingly close if not here already.



Real time engagement platform



Delivery during spring lockdown

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The acceleration to which we refer, both that observed to date and that which we would expect to come through over the coming years, is not merely about growth rates. The more profound dynamic at work is that digital first business models will increasingly become the accepted norm in many areas. As we have seen in the rise of the internet over the past two decades, competitive dynamics in a digital world tend to operate around first mover advantage and reinforcing networks effects. Consequently, a likely effect of the pandemic will be accelerated evolution in competitive dynamics in areas of huge opportunity with the spoils of success accruing at a faster rate to a smaller number of winners. As such we see our challenge to be about identifying the companies best positioned to exploit the opportunity over the coming years. Growth rates will be an output from that but more significant will be the strategic positioning and evolutionary path that a business is likely to experience.

We are acutely aware that many individuals and businesses will bear a huge cost from the current pandemic with the financial and economic impacts reverberating for many years. The companies we invest in are clearly not cocooned from this backdrop. However, for the sizable majority of the portfolio's holdings the opportunity afforded by structural growth, disrupting incumbents and taking of market share are likely to comfortably offset any economic headwind over the longer term. In actively looking for companies that are innovating and trying to move the world forward we believe we are concentrating on an opportunity set whose own actions will be the greatest determinant of their own success or failure. As observers along frontiers of innovation in a wide range of industries and applications we continue to be excited by the opportunities that abound. Consequently, we feel that the current portfolio and investment approach is as relevant as it's ever been.

Portfolio update

In aggregate the portfolio has performed strongly in the year to 31 October 2020. This was driven by several stocks producing sizable gains over the period exemplified by 22 holdings more than doubling their share price and 7 holdings more than tripling. The most significant contribution to performance came from the long-standing position in Tesla, the electric vehicle company. Through broadening its manufacturing footprint, expanding its product range and a widening of the competitive gap on several fronts versus the incumbent automotive companies, Tesla continues to capitalise on its initial status as a technology-powered disruptor in a vast end market. Ongoing battery and autonomous driving developments combined with likely benefits of manufacturing scale in the face of robust demand give us confidence that the company can further build on its growth strength and differentiation. We did make a reduction to the holding, but this was based on maintaining portfolio diversification. Despite this, it remains our largest portfolio holding at year end and we are excited about the path from here.

The consequences of decades worth of over reliance upon fossil fuel burning as the dominant energy source is arguably the most daunting challenge facing the world. Increasingly we expect significant entrepreneurial resource to be directed at this challenge and while still early in that response progress at companies like Tesla, or the UK fuel cell company Ceres Power, give some cause for optimism.

The robust contribution to performance from holdings such as Ocado (online grocery), Teladoc (telemedicine), Chegg (online education), MarketAxess (electronic bond trading), Zillow (online property portal) and Wayfair (online home furnishings) are indicative of the ascendancy of digital platforms in the current environment. It must be expected that some of the immediate operational strength of these companies stems from unnaturally skewed demand and therefore might be expected to moderate post the pandemic. However, we believe the lasting impact is likely to be that the services provided by these companies go from being perceived merely as alternatives to a more scalable, future-proofed way forward.

In the Interim Report we discussed the purchases of LiveRamp, EverQuote, Huya, Tabula Rasa HealthCare, ShockWave Medical and Graphcore. New purchases in the second half of the Company's financial year comprised Sutro Biopharma, Q2 Holdings, Agora, Berkeley Lights, Cloudera, LivePerson, American Superconductor, Everbridge and Epic Games.



Screening individual cells

Sutro Biopharma has developed a novel cell-free protein synthesis technology. This represents a much more scalable approach than traditional cell cultures techniques and allows unprecedented precision in protein design and structure. It makes it possible to design and rapidly produce novel proteins with optimal therapeutic efficacy and stable, predictable pharmacokinetic features. Sutro is looking to commercialise the technology by developing drugs for the treatment of cancer patients, both through partnerships with large pharmaceutical companies and on its own.

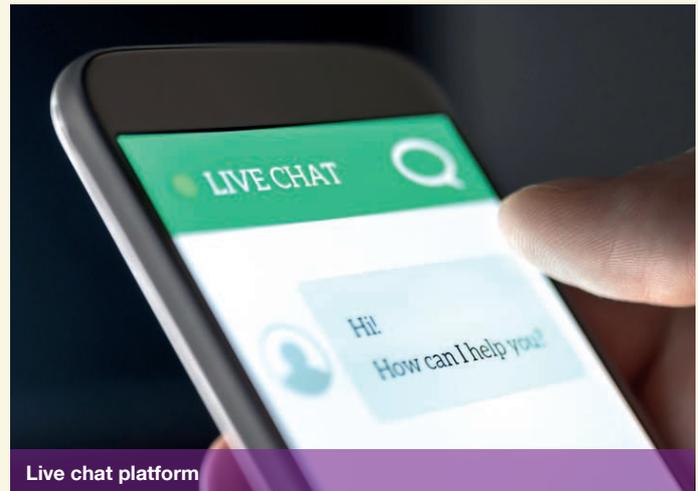
Q2 Holdings sells cloud-based virtual banking software to regional banks and credit unions in the US. Its product portfolio is geared toward a bank's front-end operations, for example online access for account holders, voice messaging, mobile banking, bill payments, etc. Its aim is to help small regional banks compete with larger national banks by providing them with access to up-to-date technology. This is critical as banking is increasingly becoming digital. We see significant opportunity for Q2 Holdings to take share amongst the fragmented base of regional banks backed by a strong structural driver of digitisation within customer aspects of banks.

Agora Inc (ADR) is a Chinese company that provides a real-time engagement platform to application developers allowing them to easily embed high quality video-based communication in their applications (eg. apps focused on gaming, education or telemedicine). Through working with many of the leading Chinese app developers, Agora has built significant mindshare within its core market, increasingly this translates to much faster development cycles as it can refine the product with high volume real-world data and not be heavily dependent upon simulated scenarios.

Berkeley Lights develops equipment that enables the precise control and characterisation of single cells. Its technology is based on using light to control the movements of fluid and cells on a semiconductor chip. This has the potential to simplify researchers' workflow, speed up experiments and generate more insights. Berkeley Lights is focusing on commercialising the equipment for the antibody and synthetic biology markets. Longer-term we see an opportunity for the technology to be used in cell therapy application which could markedly expand its end market potential.

Cloudera sells software which helps businesses store, manage and analyse their increasingly large and complex datasets. Over a year ago Cloudera merged with its only direct competitor, leaving the combined entity in a much stronger position. Product innovation has meaningfully accelerated since then and the company launched a range of new offerings which allow customers to manage, analyse and interface with data across any environment (on premise or in the cloud, public or private) with a single security and governance framework that persists across the entire environment. The ease of use of the updated software and the operational and economic benefits combine into an interesting value proposition for both existing and new customers.

LivePerson is a software business focused on messaging-based communication between businesses and their customers. Asynchronous messaging is emerging as the preferred communication method for many consumers and is enabling businesses to increasingly move their customer service function away from inefficient and costly call centres. Through offering a high degree of functionality and interoperability with other systems,



alongside the inherent simplicity of short form communication, LivePerson has an interesting opportunity to use Machine Learning to try and automate a significant portion of customer-initiated messaging communications. This should drive further efficiency gains for its customers and increasingly opens opportunities for messaging to move closer to the transaction and not just being a customer service tool.

American Superconductor specialises in the design and manufacture of power systems and superconducting wire. Whilst the company has had mixed fortunes operating in the wind turbine industry over the past decade, consistent investment in R&D has laid the ground for sizeable new opportunities to emerge in naval power systems and renewable grid infrastructure.

Everbridge is a software company that helps its customers to automate their responses to critical events in order to keep their employees and assets safe plus minimise disruption. The company's early focus was on population alerting in critical events such as a weather emergency or an earthquake. It has capitalised on its success in this area through broadening its offering and building deeper data links into customers. As such the company now offers a suite of tools that help an organisation understand critical situational awareness across both its people, facilities, inventory, supply chain and IT operations. With many businesses and institutions placing greater strategic emphasis on operational resilience we think Everbridge is uniquely positioned and that its offering will increasingly be viewed as essential.

Epic Games, under the leadership of founder Tim Sweeney, has adapted to and often driven important games industry shifts that have occurred since the business was founded in the 1990s. It is the studio behind Fortnite and as the developer of the Unreal Engine, the industry's largest third party game engine, it offers the tool set that enables more and higher quality games to be made. In addition, Epic Store is changing how consumers buy games and offers better incentives to developers. Each of these businesses offer great investment opportunities in their own right, but together they may be the foundations upon which large changes in video game consumption, development and distribution are built.

We are excited about these additions to the portfolio and look forward to observing how these companies evolve over the coming years.

Investment Philosophy

Most small businesses are destined to stay small given their limited scope for both structural growth and meaningful differentiation. Such businesses constitute the bulk of the smaller companies' universe yet are of no appeal to us. However, what is intriguing about the smaller companies' universe is that it contains a subset of immature but potentially high growth companies. By identifying attractive growth companies earlier we seek to benefit from growth at an earlier stage in a company's lifecycle and retain ownership of successful companies as they grow and thrive; we see our role as investing in what are potentially the larger companies of the future as opposed to the smaller companies of today.



We are looking to concentrate on the part of the market where we believe our analytical effort and the pursuit of genuinely transformational growth can be better exploited. The focus at time of initial investment is on younger, more immature companies that are global and exhibiting strong growth.

It is important to remember that big successful ideas typically start out as small, tentative and unproven. Early iterations are easy to dismiss as unworkable but experimentation with, and evolution of, an initially raw concept can, over time, yield huge commercial relevance. Our philosophy involves weighing up what is proven and tangible alongside what has promise and long term potential. Integral to this approach is recognising the role of innovation in business development; it provides the fuel for business creation, growth and long term competitive differentiation. Consequently, identifying companies that value innovation, having both a cultural acceptance of it and a means to develop commercial opportunities around it, is fundamental to our investment approach.

Growth companies, especially those which are young and hard to model, are difficult businesses to value. The wide range of potential outcomes and profitability that is heavily skewed to future years is a combination of uncertainties that many investors struggle with. We do not have all the answers but by approaching the challenge with a genuine long term perspective, accepting a degree of uncertainty, backing robust innovation and entrepreneurial management, we believe we are well positioned to identify the smaller businesses most likely to shape the world in which we live. As technological advancements encroach into an increasing pool of opportunity, the rate and extent of growth that a small business can achieve, in a relatively short period of time, is almost unrecognisable to that of a few years ago. Innovative smaller businesses that are unburdened by the legacy of historic business practices, or those willing to adapt to change, are best positioned to harness this opportunity.

Baillie Gifford Statement on Stewardship

Reclaiming Activism for Long-Term Investors

Baillie Gifford's over-arching ethos is that we are 'actual' investors. We have a responsibility to behave as supportive and constructively engaged long-term investors. We invest in companies at different stages in their evolution, across vastly different industries and geographies and we celebrate their uniqueness. Consequently, we are wary of prescriptive policies and rules, believing that these often run counter to thoughtful and beneficial corporate stewardship. Our approach favours a small number of simple principles which help shape our interactions with companies.

Our Stewardship Principles

Prioritisation of long-term value creation

We encourage company management and their boards to be ambitious and focus their investments on long-term value creation. We understand that it is easy for businesses to be influenced by short-sighted demands for profit maximisation but believe these often lead to sub-optimal long-term outcomes. We regard it as our responsibility to steer businesses away from destructive financial engineering towards activities that create genuine economic value over the long run. We are happy that our value will often be in supporting management when others do not.

A constructive and purposeful board

We believe that boards play a key role in supporting corporate success and representing the interests of minority shareholders. There is no fixed formula, but it is our expectation that boards have the resources, cognitive diversity and information they need to fulfil these responsibilities. We believe that a board works best when there is strong independent representation able to assist, advise and constructively test the thinking of management.

Long-term focused remuneration with stretching targets

We look for remuneration policies that are simple, transparent and reward superior strategic and operational endeavour. We believe incentive schemes can be important in driving behaviour, and we encourage policies which create alignment with genuine long-term shareholders. We are accepting of significant pay-outs to executives if these are commensurate with outstanding long-run value creation, but plans should not reward mediocre outcomes. We think that performance hurdles should be skewed towards long-term results and that remuneration plans should be subject to shareholder approval.

Fair treatment of stakeholders

We believe it is in the long-term interests of companies to maintain strong relationships with all stakeholders, treating employees, customers, suppliers, governments and regulators in a fair and transparent manner. We do not believe in one-size-fits-all governance and we recognise that different shareholder structures are appropriate for different businesses. However, regardless of structure, companies must always respect the rights of all equity owners.

Sustainable business practices

We look for companies to act as responsible corporate citizens, working within the spirit and not just the letter of the laws and regulations that govern them. We believe that corporate success will only be sustained if a business's long-run impact on society and the environment is taken into account. Management and boards should therefore understand and regularly review this aspect of their activities, disclosing such information publicly alongside plans for ongoing improvement.

Twenty Largest Holdings and Twelve Month Performance at 31 October 2020

Name	Business	Country	Fair value 2020 £'000	% of total assets *	Absolute † performance %	Relative † performance %
Tesla	Electric vehicles, autonomous driving and solar energy	USA	51,332	4.9	517.3	514.9
Ocado	Online grocery retailer and technology provider	UK	49,460	4.8	71.3	70.6
MarketAxess	Electronic bond trading platform	USA	46,703	4.5	47.0	46.4
Zillow#	US online real estate portal	USA	39,507	3.8	172.9	171.8
Chegg	Online educational company	USA	32,964	3.2	139.7	138.8
Alnylam Pharmaceuticals	Drug developer focused on harnessing gene silencing technology	USA	32,238	3.1	41.9	41.3
Novocure	Manufacturer of medical devices for cancer treatment	USA	28,789	2.8	71.1	70.4
Teladoc	Telemedicine services provider	USA	26,308	2.5	156.7	155.7
LendingTree	Online consumer finance marketplace	USA	25,321	2.4	(10.0)	(10.4)
STAAR Surgical	Ophthalmic implants for vision correction	USA	21,787	2.1	121.4	120.5
Space Exploration Technologies# ②	Designs, manufactures and launches advanced rockets and spacecraft	USA	20,546	1.9	11.4 ‡	11.0 ‡
BlackLine	Enterprise financial software provider	USA	19,058	1.8	108.3	107.5
Kingdee International Software	Enterprise management software provider	China	17,622	1.7	139.1	138.2
Wayfair	Online furniture and homeware retailer	USA	16,691	1.6	206.1	204.9
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	16,206	1.6	142.8	141.9
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	15,729	1.5	62.9	62.2
MonotaRO	Online business supplies	Japan	14,932	1.4	82.4	81.7
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	14,746	1.4	42.4	41.9
M3	Online medical database	Japan	14,556	1.4	180.0	178.9
Appian	Enterprise software developer	USA	14,160	1.3	41.7	41.1
			518,655	49.7		

* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

† Absolute and relative performance has been calculated on a total return basis over the period 1 November 2019 to 31 October 2020. Absolute performance is in sterling terms; relative performance is against S&P Global Small Cap Index (in sterling terms).

More than one line of stock held. Holding information represents the aggregate of both lines of stock.

‡ Figures relate to part-period returns where security has been purchased or added to during the period.

② Denotes unlisted security.

Source: Baillie Gifford/StatPro and relevant underlying index providers. See disclaimer on page 71.

Past performance is not a guide to future performance.

List of Investments as at 31 October 2020

Name	Business	Country	Fair value 2020 £'000	% of total assets	Fair value 2019 £'000
Tesla	Electric vehicles, autonomous driving and solar energy	USA	51,332	4.9	10,929
Ocado	Online grocery retailer and technology provider	UK	49,460	4.8	28,883
MarketAxess	Electronic bond trading platform	USA	46,703	4.5	31,837
Zillow Class C	US online real estate portal	USA	33,235	3.2	12,205
Zillow Class A	US online real estate portal	USA	6,272	0.6	2,274
			39,507	3.8	14,479
Chegg	Online educational company	USA	32,964	3.2	13,749
Alnylam Pharmaceuticals	Drug developer focused on harnessing gene silencing technology	USA	32,238	3.1	22,046
Novocure	Manufacturer of medical devices for cancer treatment	USA	28,789	2.8	21,709
Teladoc	Telemedicine services provider	USA	26,308	2.5	10,247
LendingTree	Online consumer finance marketplace	USA	25,321	2.4	28,112
STAAR Surgical	Ophthalmic implants for vision correction	USA	21,787	2.1	9,142
Space Exploration Technologies Series J Preferred	Designs, manufactures and launches advanced rockets and spacecraft	USA	5,613	0.5	4,446
Space Exploration Technologies Series K Preferred	Designs, manufactures and launches advanced rockets and spacecraft	USA	2,559	0.2	2,026
Space Exploration Technologies Series N Preferred	Designs, manufactures and launches advanced rockets and spacecraft	USA	12,374	1.2	–
			20,546	1.9	6,472
BlackLine	Enterprise financial software provider	USA	19,058	1.8	5,027
Kingdee International Software	Enterprise management software provider	China	17,622	1.7	6,483
Wayfair	Online furniture and homeware retailer	USA	16,691	1.6	7,736
Zai Lab ADR	Chinese bio-pharmaceutical development and distribution company	China	16,206	1.6	5,614
Xero	Cloud based accounting software for small and medium-sized enterprises	New Zealand	15,729	1.5	9,653
MonotaRO	Online business supplies	Japan	14,932	1.4	8,222
Exact Sciences	Non-invasive molecular tests for early cancer detection	USA	14,746	1.4	10,369
M3	Online medical database	Japan	14,556	1.4	5,212
Appian	Enterprise software developer	USA	14,160	1.3	6,571
LiveRamp	Marketing technology company	USA	13,392	1.3	–
AeroVironment	Small unmanned aircraft and tactical missile systems	USA	13,022	1.3	9,869
PureTech Health	IP commercialisation focused on healthcare	UK	12,951	1.3	12,401
Genmab	Antibody based drug development	Denmark	12,691	1.2	8,275
Tandem Diabetes Care	Manufacturer of insulin pumps for diabetic patients	USA	12,508	1.2	9,973
Upwork	Online freelancing and recruitment services platform	USA	12,250	1.2	3,483
Everbridge	Critical event management software provider	USA	12,019	1.2	–
Codexis	Industrial and pharmaceutical enzyme developer	USA	11,961	1.1	8,075
Ceres Power	Developer of fuel cells	UK	11,924	1.1	3,514
Splunk	Data diagnostics	USA	11,316	1.1	6,847
Cloudera	Enterprise data software provider	USA	11,277	1.1	–
Oxford Nanopore Technologies	Novel DNA sequencing technology	UK	11,276	1.1	7,710
Yext	Digital knowledge manager	USA	11,059	1.0	10,970
IPG Photonics	High-power fibre lasers	USA	10,613	1.0	7,642
Pacira BioSciences	Opioid free analgesics developer	USA	10,510	1.0	6,457
LivePerson	Messaging tools for business and customer interactions	USA	10,247	1.0	–
Trupanion	Pet health insurance provider	USA	10,236	1.0	3,390
InfoMart	Online platform for restaurant supplies	Japan	9,936	1.0	9,112
Genus	Livestock breeding and technology services	UK	9,517	0.9	6,716
Avacta Group	Affinity based diagnostic reagents and therapeutics	UK	9,218	0.9	600
CyberArk Software	Cyber security solutions provider	Israel	8,827	0.9	6,319

Name	Business	Country	Fair value 2020 £'000	% of total assets	Fair value 2019 £'000
Galapagos	Clinical stage biotechnology company focussing on autoimmune and fibrosis diseases	Belgium	8,806	0.8	10,941
Q2 Holdings	Cloud based virtual banking solutions provider	USA	8,625	0.8	–
Adaptimmune Therapeutics ADR	Cell therapies for cancer treatment	UK	8,494	0.8	476
Baozun SPN ADR	Chinese e-commerce solution provider	China	8,313	0.8	9,907
Seagen (formerly Seattle Genetics)	Antibody drug conjugate therapeutics	USA	7,937	0.8	7,090
iRobot	Consumer robotics and connected devices	USA	7,896	0.8	4,764
Renishaw	Measurement and calibration equipment	UK	7,863	0.8	5,329
Axon Enterprise	Law enforcement equipment and software provider	USA	7,809	0.8	4,034
Temenos Group	Banking software provider	Switzerland	7,594	0.7	10,084
Berkeley Lights	Biotechnology tools focused on cell characterisation	USA	7,274	0.7	–
Peptidream	Peptide based drug discovery platform	Japan	6,843	0.7	7,482
Dexcom	Real time blood glucose monitoring	USA	6,655	0.6	8,692
Sutro Biopharma	Biotechnology company focused on next generation protein therapeutic	USA	6,462	0.6	–
Epic Games®	Video game platform and software developer	USA	6,187	0.6	–
American Superconductor	Designs and manufactures power systems and superconducting wire	USA	6,071	0.6	–
Morphosys	Antibody based drug discovery platform	Germany	5,866	0.6	5,396
Reaction Engines®	Advanced heat exchange company	UK	5,750	0.6	3,805
Huya ADR	A live game streaming platform	China	5,036	0.5	–
Faro Technologies	Designs and develops measurement devices	USA	5,024	0.5	3,974
Agora ADR	Voice and video platform technology provider	China	4,987	0.5	–
Digital Garage	Internet business incubator	Japan	4,934	0.5	4,607
EverQuote	Online marketplace for buying insurance	USA	4,853	0.5	–
Akili Interactive Labs Series C Preferred®	Digital medicine company	USA	4,600	0.4	3,864
ShockWave Medical	Medical devices manufacturer	USA	4,538	0.4	–
NuCana SPN ADR	Next generation chemotherapy developer	UK	4,523	0.4	1,823
ASOS	Online fashion retailer	UK	4,494	0.4	2,926
IP Group	Intellectual property commercialisation	UK	4,324	0.4	3,065
Rightmove	UK online property portal	UK	4,263	0.4	4,129
Graphcore Series D2 Preferred®	Specialised processor chips for machine learning applications	UK	4,247	0.4	–
Ambarella	Video compression and image processing semiconductors	USA	4,129	0.4	3,967
PsiQuantum Series C Preferred®	Developer of commercial quantum computing	USA	3,867	0.4	3,864
SEEK	Online recruitment portal	Australia	3,812	0.4	3,940
Digimarc	Digital watermarking technology provider	USA	3,791	0.4	2,235
Tabula Rasa HealthCare	Cloud-based healthcare software developer	USA	3,686	0.4	–
Oxford Instruments	Advanced instrumentation and equipment provider	UK	3,526	0.3	2,888
Ilika	Discovery and development of novel materials for mass market applications	UK	3,348	0.3	617
Dialog Semiconductor	Semiconductors for mobile devices	Germany	3,163	0.3	3,704
Cellectis	Genetic engineering for cell based therapies	France	2,966	0.3	2,182
National Instruments	Instrumentation and software for semiconductor research and testing	USA	2,646	0.3	3,498
CEVA	Licenses IP to the semiconductor industry	USA	2,573	0.2	1,736
Spire Global Series C Preferred®	Satellite powered data collection and analysis company	USA	2,134	0.2	2,330
Spire Global Inc Sub. Convertible Promissory Note®	Satellite powered data collection and analysis company	USA	269	0.0	266
			2,403	0.2	2,596

Strategic Report

Name	Business	Country	Fair value 2020 £'000	% of total assets	Fair value 2019 £'000
Sensirion Holding	Manufacturer of gas and flow sensors	Switzerland	2,400	0.2	1,863
Victrex	High-performance thermo-plastics	UK	2,345	0.2	2,792
Cosmo Pharmaceuticals	Therapies for gastrointestinal diseases	Italy	2,084	0.2	1,905
4D Pharma	Microbiome biology therapeutics	UK	1,971	0.2	956
4D Pharma Warrants	Microbiome biology therapeutics	UK	35	0.0	–
			2,006	0.2	956
KSQ Therapeutics Series C Preferred [Ⓞ]	Biotechnology target identification company	USA	1,925	0.2	3,864
Zuora	Enterprise sales management software	USA	1,823	0.2	2,700
Benefitfocus	Employee benefits software provider	USA	1,807	0.2	3,976
AxoGen	Regenerative medicine and nerve repair company	USA	1,645	0.2	1,629
Catapult Group International	Analytics and data collection technology for sports teams and athletes	Australia	1,638	0.1	1,356
Stratasys	3D printer manufacturer	USA	1,429	0.1	2,310
Chinook Therapeutics (formerly Aduro Biotechnology)	Immunotherapy drug development	USA	1,117	0.1	516
Unity Biotechnology	Biotechnology company seeking to develop anti ageing therapies	USA	1,018	0.1	1,645
Kaleido Biosciences	Microbiome chemistry therapeutics	USA	913	0.1	866
Horizon Discovery	Customised cell lines to aid drug discovery	UK	910	0.1	1,674
Adicet Bio (formerly resTORbio)	Biotechnology company focused on age related disorders	USA	728	0.1	3,453
C4X Discovery Holdings	Rational drug design and optimisation	UK	510	0.1	238
Rubius Therapeutics	Developer of novel therapies using engineered red blood cells	USA	505	<0.1	1,050
Ricardo	Engineering services provider	UK	483	<0.1	879
Summit Therapeutics ADR	Developer of novel antibiotics	UK	479	<0.1	213
Uxin ADR	Online Chinese used car marketplace	China	420	<0.1	1,335
VYNE Therapeutics (formerly Foamix Pharmaceuticals)	Biopharmaceutical company focused in the dermatology space	USA	248	<0.1	301
Xeros Technology Group	Polymer technology company with laundry and textile applications	UK	93	<0.1	77
Tissue Regenix	Regenerative medicine technology provider	UK	66	<0.1	399
Velocys	Gas to liquid technology	UK	19	<0.1	6
China Lumena New Materials	Mines, processes and manufactures natural thenardite products	China	0	0.0	0
Ensogo	South East Asian e-commerce	Australia	0	0.0	0
Total equities			1,002,194	96.3	
Net liquid assets			38,268	3.7	
Total assets at fair value*			1,040,462	100.0	

* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

[Ⓞ] Denotes unlisted security.

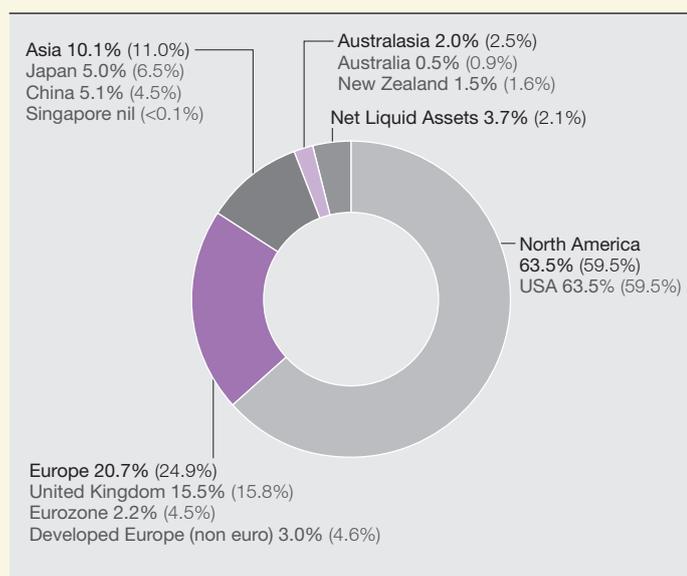
	Listed equities %	Unlisted securities † %	Net liquid assets %	Total assets %
31 October 2020	90.5	5.8	3.7	100.0
31 October 2019	92.4	5.5	2.1	100.0

Figures represent percentage of total assets.

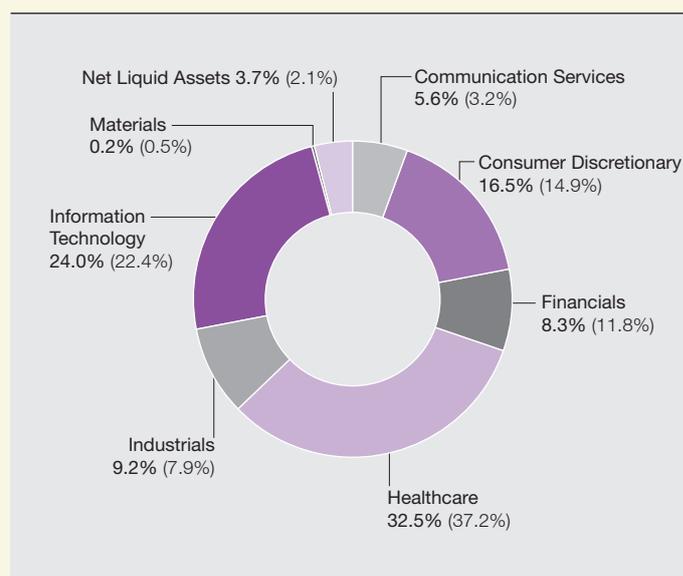
† Includes holdings in preference shares, ordinary shares and convertible promissory note.

Distribution of Total Assets

Geographical 2020 (2019)



Sectoral 2020 (2019)



Investment Changes

	Valuation at 31 October 2019 £'000	Net acquisitions/ (disposals) £'000	Gains/ (losses) £'000	Valuation at 31 October 2020 £'000
North America				
USA	348,162	67,597	244,985	660,744
Europe				
United Kingdom	92,339	22,909	46,841	162,089
Eurozone	26,461	641	(4,217)	22,885
Developed Europe (non euro)	26,842	2,962	1,708	31,512
Asia				
Japan	38,118	(3,268)	16,351	51,201
China	25,834	9,424	17,326	52,584
Singapore	136	(159)	23	–
Australasia				
Australia	5,314	(7)	143	5,450
New Zealand	9,653	–	6,076	15,729
Total investments	572,859	100,099	329,236	1,002,194
Net liquid assets	12,455	27,041	(1,228)	38,268
Total assets	585,314	127,140	328,008	1,040,462

The figures above for total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

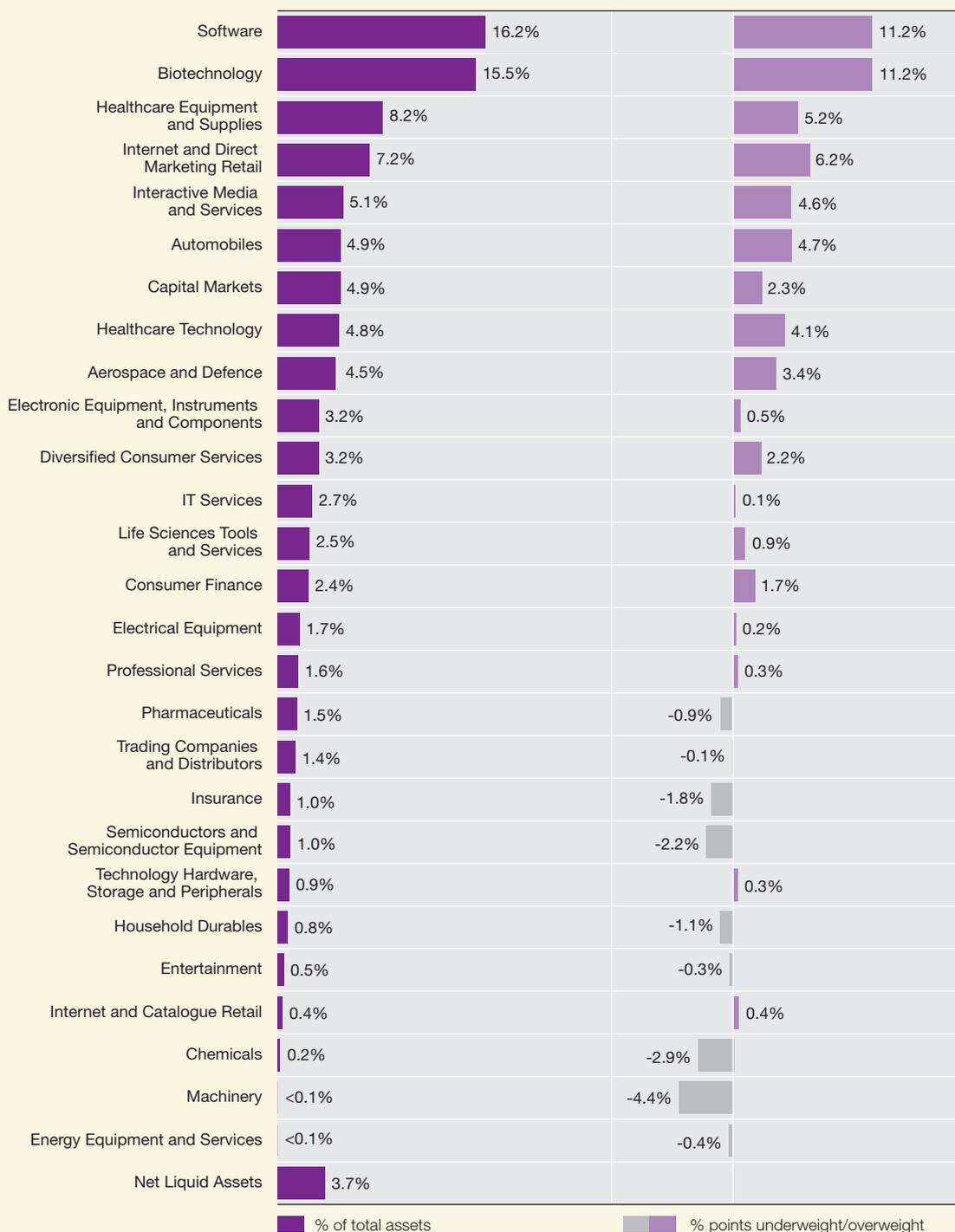
Distribution of Total Assets* by Industry

At 31 October 2020

Industry Analysis

Portfolio Weightings

(relative to comparative index†)



* Total assets comprises all assets held less all liabilities other than liabilities in the form of borrowings.

† S&P Global Small Cap Index (in sterling terms). Weightings exclude industries where the Company has no exposure. See disclaimer on page 71.

The Strategic Report which includes pages 2 to 22 was approved by the Board on 9 December 2020.

Henry CT Strutt
Chairman

Directors and Management

Members of the Board come from a broad variety of backgrounds. The Board can draw on a very extensive pool of knowledge and experience.

Directors



HCT Strutt

Henry Strutt was appointed a Director on 1 November 2011 and appointed Chairman on 24 January 2017. He qualified as a chartered accountant in 1979, following which he spent over twenty years with the Robert Fleming Group, seventeen of which were in the Far East. He is a non-executive director of New Waves Solutions Limited.



H James

Helen James was appointed a Director on 2 December 2010. She is the former CEO of Investis, a leading digital corporate communications company. She was also previously Head of Pan-European Equity Sales at Paribas. She is a non-executive director of The Mercantile Investment Trust plc and group chief operating officer of Brunswick Group.



DAJ Cameron

Donald Cameron was appointed a Director on 2 December 2010 and is Chairman of the Audit and Management Engagement Committee. He is an advocate at the Scottish Bar (non-practising) and is also a qualified barrister in England and Wales. He was elected a Member of the Scottish Parliament in 2016. He is a non-executive director of Murray Income Trust PLC.



CA Roxburgh

Caroline Roxburgh was appointed a Director on 1 February 2020. She is a qualified Chartered Accountant and was a partner at PricewaterhouseCoopers LLP until 2016. She is a non-executive director and chair of the audit committee of Montanaro European Smaller Companies Trust plc, a non-executive director and chair of the audit and risk committee of Edinburgh International Festival Society, a non-executive director of the Royal Conservatoire of Scotland and a publicly appointed member of the board of directors and chair of the audit and risk committee of VisitScotland.



WJ Ducas

William Ducas was appointed a Director on 22 March 2002 and is the Senior Independent Director. He is a member of the board of the Weir Foundation charitable trust and is on the International Advisory Board of Zamorano University. He was previously a director of West LB Mellon Asset Management and a managing director of F&C Management Ltd of North America.



JA Simpson-Dent

Jonathan Simpson-Dent was appointed a Director on 1 February 2020. He has spent the majority of his career running entrepreneurial Private Equity and listed mid-cap international growth businesses across multiple sectors, being a former CEO of Evander Group, Cardpoint and WLT (EMEA), CCO of Cardtronics Inc and CFO of HomeServe Plc and General Healthcare Group. He has also previously worked at PricewaterhouseCoopers LLP, McKinsey & Company and PepsiCo. He is the Chair of Bromford Housing Group Ltd and a Fellow of the Institute of Chartered Accountants.



MIG Wilson

Mungo Wilson was appointed a Director on 8 December 2016. He is a former solicitor and is Associate Professor of Finance at Saïd Business School, University of Oxford. He is also an associate member of the Oxford Man Institute of Quantitative Finance.

All the Directors are members of the Nomination Committee and all the Directors, with the exception of Mr WJ Ducas, are members of the Audit and Management Engagement Committees. Mr WJ Ducas stepped down from the Audit and Management Engagement Committee on 20 September 2017.

Managers and Secretaries

The Company has appointed Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, as its Alternative Investment Fund Manager and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited. Baillie Gifford & Co is an investment management firm formed in 1927 out of the legal firm Baillie & Gifford, WS, which had been involved in investment management since 1908.

Baillie Gifford is one of the largest investment trust managers in the UK and currently manages eleven investment trusts. Baillie Gifford also manages a listed investment company and open ended investment companies, together with investment portfolios on behalf of pension funds, charities and other institutional clients, both in the UK and overseas. Funds under the management or advice of Baillie Gifford totalled over £285 billion at 31 October 2020. Based in Edinburgh, it is one of the leading privately owned investment management firms in the UK, with 46 partners and a staff of around 1,400.

Douglas Brodie is the portfolio manager. He joined Baillie Gifford in 2001 and is Head of the Global Discovery Team, which focuses on the opportunities of smaller companies. Svetlana Viteva and Luke Ward are the deputy portfolio managers. Both joined Baillie Gifford in 2012 and work closely with Douglas Brodie as part of Baillie Gifford's Global Discovery investment desk, from which Edinburgh Worldwide is managed.

Baillie Gifford & Co Limited and Baillie Gifford & Co are both authorised and regulated by the Financial Conduct Authority.

Directors' Report

The Directors present their Report together with the Financial Statements of the Company for the year to 31 October 2020.

Corporate Governance

The Corporate Governance Report is set out on pages 29 to 32 and forms part of this Report.

Managers and Company Secretaries

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed as the Company's Alternative Investment Fund Manager ('AIFM') and Company Secretaries. Baillie Gifford & Co Limited has delegated portfolio management services to Baillie Gifford & Co. Dealing activity and transaction reporting have been further sub-delegated to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited.

The Investment Management Agreement between the AIFM and the Company sets out the matters over which the Managers have authority in accordance with the policies and directions of, and subject to restrictions imposed by, the Board. The Investment Management Agreement is terminable on not less than three months' notice. Compensation fees would only be payable in respect of the notice period if termination by the Company were to occur within a shorter notice period.

With effect from 1 January 2019 the annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Prior to 1 January 2019 the fee was 0.95% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly. The Board is of the view that calculating the fee with reference to performance would be unlikely to exert a positive influence on performance.

The Board considers the Company's investment management and secretarial arrangements on a continuing basis and a formal review is conducted by the Audit and Management Engagement Committee annually. The Committee considered the following topics amongst others in its review:

- investment process;
- investment performance;
- the quality of the personnel assigned to handle the Company's affairs;
- developments at the Managers, including staff turnover;
- the administrative services provided by the Secretaries;
- share price and discount; and
- charges and fees.

Following the most recent review the Audit and Management Engagement Committee concluded that the continuing appointment of Baillie Gifford & Co Limited as AIFM and Secretaries, the delegation of the investment management services to Baillie Gifford & Co and the further sub-delegation of dealing activity and transaction reporting to Baillie Gifford Overseas Limited and Baillie Gifford Asia (Hong Kong) Limited, on the terms agreed, is in the interests of the Company and the shareholders as a whole. This was subsequently approved by the Board.

Depositary

In accordance with the Alternative Investment Fund Managers Directive, the AIFM must appoint a Depositary to the Company. The Bank of New York Mellon (International) Limited has been appointed as the Company's Depositary.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The custody function is also undertaken by The Bank of New York Mellon (International) Limited ("the Custodian").

Directors

Information about the Directors who were in office during the year and up to the date the Financial Statements were signed including their relevant experience can be found on pages 23 and 24.

In accordance with the AIC Code of Corporate Governance issued in February 2019, the Board has agreed that all Directors will offer themselves for re-election by shareholders on an annual basis. As a result, all Directors, will retire at this year's Annual General Meeting and will offer themselves for re-election or, in the case of Ms CA Roxburgh and Mr JA Simpson-Dent who were appointed on 1 February 2020, election.

Following formal performance evaluation, the Board concluded that the performance of each of the Directors continues to be effective and that they remain committed to the Company. Their contribution to the Board is greatly valued and the Board recommends their re-election to shareholders.

The Board also considers that Mr DAJ Cameron, Mr WJ Ducas and Ms H James all remain independent having served on the Board for more than nine years, as explained on page 29.

Director Indemnification and Insurance

The Company has entered into qualifying third party deeds of indemnity in favour of each of its Directors. The deeds, which were in force during the year to 31 October 2020 and up to the date of approval of this Report, cover any liabilities that may arise to a third party, other than the Company, for negligence, default or breach of trust or duty. The Directors are not indemnified in respect of liabilities to the Company, any regulatory or criminal fines, any costs incurred in connection with criminal proceedings in which the Director is convicted or civil proceedings brought by the Company in which judgement is given against him/her. In addition, the indemnity does not apply to any liability to the extent that it is recovered from another person.

The Company maintains Directors' and Officers' liability insurance.

Conflicts of Interest

Each Director submits a list of potential conflicts of interest to the Nomination Committee on an annual basis. The Committee considers these carefully, taking into account the circumstances surrounding them and makes a recommendation to the Board on whether or not the potential conflicts should be authorised. Board authorisation is for a period of one year.

Having considered the lists of potential conflicts there were no situations which gave rise to a direct or indirect interest of a Director which conflicted with the interests of the Company.

Dividends

The Company's objective is that of generating capital growth. Consequently, the Managers do not invest in companies based on the level of income they may payout as dividends.

As highlighted previously, the Board does not intend to draw on the Company's revenue reserve to pay or maintain dividends. This year the net revenue return per share was a deficit of £1,479,000. There is no requirement under section 1158 of the Corporation Tax Act 2010 to pay a dividend as the net revenue return is below the level which would trigger the requirement to pay a dividend hence the Board is recommending that no final dividend be paid. Should the level of underlying income increase in future years, the Board will seek to distribute the minimum permissible to maintain investment trust status by way of a final dividend.

Share Capital

Capital Structure

The Company's capital structure as at 31 October 2020 consists of 354,318,695 ordinary shares of 1p each (2019 – 302,598,695 ordinary shares of 1p each), see note 11. There are no restrictions concerning the holding or transfer of the Company's ordinary shares and there are no special rights attached to any of the shares.

Following a five for one share split on 28 January 2019, each ordinary share of 5p was replaced with five new ordinary shares of 1p each.

Dividends

The ordinary shares carry a right to receive dividends. Interim dividends are determined by the Directors, whereas any proposed final dividend is subject to shareholder approval.

Capital Entitlement

On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to ordinary shareholders in proportion to their shareholdings.

Voting

Each ordinary shareholder present in person or by proxy is entitled to one vote on a show of hands and, on a poll, to one vote for every share held.

Major Interests Disclosed in the Company's Shares

There are no major interest disclosed in the Company's shares as at 31 October 2020 and there have been no disclosed changes to the major interests in the Company's shares intimated up to 8 December 2020.

Annual General Meeting

The details of this year's Annual General Meeting, including the proposed resolutions and information on the deadlines for proxy appointments, can be found on pages 65 and 67. Shareholders who hold shares in their own name on the main register will be provided with a Form of Proxy and there are also special arrangements for holders of shares through the Aberdeen Standard Investments Share Plan, Individual Savings Account and

Investment Plan for Children who are provided with a Form of Direction. If you hold shares through a share platform or other nominee, the Board would encourage you to contact these organisations directly as soon as possible to arrange for you to attend and/or vote at the Annual General Meeting. The resolutions relating to the renewal of the Directors' authorities to issue and buy back shares are explained in more detail below.

Issuance of Shares

At the last Annual General Meeting, the Directors were granted shareholders' approval for a general authority to issue shares, up to £998,575.69, being approximately 33% of the nominal value of the Company's issued ordinary share capital as at 4 December 2019, and also an authority to issue shares or sell shares held in treasury for cash on a non pre-emptive basis, up to £302,598.69, representing approximately 10% of the nominal value of the issued share capital of the Company as at 4 December 2019 (without first offering such shares to existing shareholders pro-rata to their existing holdings).

Following strong demand for the Company's shares, the Company held a General Meeting on 16 July 2020 (the 'July General Meeting') and a special resolution was passed giving the Directors further authority to issue or sell shares held in treasury for cash on a non pre-emptive basis, up to £325,938.69, representing approximately 10% of the nominal value of the issued share capital of the Company as at 18 June 2020. This authority will expire at the Annual General Meeting.

The demand for the Company's shares continued and the Board was conscious that the Company's shareholders authorities, noted above, may prove insufficient to allow them to continue to satisfy the continued demand for the Company's shares and therefore convened another General Meeting on 14 October 2020 (the 'October General Meeting') at which shareholders granted the Directors further authorities to issue or sell shares held in treasury for cash on a non pre-emptive basis, in aggregate, up to £692,537.38 representing, in aggregate, approximately 20% of the issued share capital of the Company as at 16 September 2020. As a result of the Company's rate of issuance and in accordance with the Prospectus Regulation Rules, the Company published a prospectus on 14 October 2020 (the 'Prospectus') to allow it to continue with its share issuance programme. The authorities granted by shareholders at the October General Meeting are not due to expire until the expiry of the Prospectus which, at the latest, would be on 14 October 2021.

During the year to 31 October 2020 the Company has issued a total of 51,720,000 shares on a non pre-emptive basis (nominal value of £517,000, representing 17.1% of the issued share capital at 31 October 2019) at a premium to net asset value (on the basis of debt valued at book value) on 101 separate occasions at weighted average price of 258.03p per share raising net proceeds of £133,044,000.

Between 1 November 2020 and 8 December 2020 the Company issued a further 9,850,000 shares at a premium to net asset value raising net proceeds of £30,501,000.

In order to ensure that it continues to have sufficient capacity to satisfy demand for the Company's shares, the Directors are proposing to seek shareholders' approval to renew the Company's annual allotment and disapplication of pre-emption right authorities for a further year, as detailed below in addition to the authorities granted at the October General Meeting.

Resolution 12 in the Notice of Annual General Meeting therefore seeks a general authority for the Directors to issue ordinary shares up to an aggregate nominal amount of £1,201,756.69 in addition to the Company's existing authority. This amount represents approximately 33% of the Company's total ordinary share capital in issue at 8 December 2020, being the latest practicable date prior to the publication of this document, and meets institutional guidelines. No issue of ordinary shares will be made pursuant to the authorisation in Resolution 12 which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 13, which is being proposed as a special resolution, seeks to renew the Directors' authority to allot equity securities, or sell treasury shares, for cash without having to offer such shares to existing shareholders pro-rata to their existing holdings, up to a total nominal amount of £364,168.69, representing approximately 10% of the Company's total issued ordinary share capital as at 8 December 2020, being the latest practicable date prior to publication of this document. This authority would be in addition to the Company's existing authority.

The Directors consider that the authorities proposed to be granted by Resolutions 12 and 13 continue to be advantageous when the Company's shares trade at a premium to net asset value and the level of natural liquidity in the market is unable to meet demand. These authorities, in addition to the Company's existing authorities granted at the October General Meeting will also allow the Directors to continue with the share issuance programme as set out in the Prospectus. The Directors do not intend to use this authority to sell or issue ordinary shares on a non pre-emptive basis at a discount to net asset value. While the level of the authority being sought is greater than the 5% recommended by the Pre-Emption Group in their Statement of Principles on disapplying pre-emption rights, it is specifically recognised in the Statement of Principles that, where an investment trust is seeking authority to issue shares at a premium to the underlying net asset value per share, this should not normally raise concerns and the Directors consider the greater flexibility provided by this authority to be justified in the circumstances.

The authorities sought in Resolutions 12 and 13 will continue until the conclusion of the Annual General Meeting to be held in 2022 or on the expiry of 15 months from the passing of the resolutions, if earlier.

Such authorities will only be used to issue shares or sell shares from treasury at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company to do so. The Directors believe that the ability to buy-back shares at a discount and re-sell them or issue new shares at a premium are useful tools in smoothing supply and demand.

No shares were held in treasury as at 8 December 2020.

Market Purchases of Shares by the Company

At the last Annual General Meeting the Company was granted authority to purchase up to 45,359,544 ordinary shares (equivalent to approximately 14.99% of its issued share capital as at 4 December 2019). This authority expires at the forthcoming Annual General Meeting. No shares were bought back during the year under review and no shares are held in treasury.

Share buy-backs may be made principally:

- (i) to enhance net asset value for continuing shareholders by purchasing shares at a discount to the prevailing net asset value; and
- (ii) to address any imbalance between the supply of and the demand for the Company's shares that results in a discount of the quoted market price to the published net asset value per share.

The Company may hold bought back shares in treasury and then:

- (i) sell such shares (or any of them) for cash (or its equivalent under the Companies Act 2006); or
- (ii) cancel the shares (or any of them).

Shares will only be re-sold from treasury at a premium to net asset value per ordinary share.

Treasury shares do not receive distributions and the Company is not entitled to exercise voting rights attaching to them.

The Directors are seeking shareholders' approval at the Annual General Meeting to renew the authority to purchase up to 54,588,887 ordinary shares in issue (excluding treasury shares) as at 8 December 2020, being the latest practicable date prior to the publication of this document (or, if less, the number representing approximately 14.99% of the Company's ordinary shares in issue (excluding treasury shares) at the date of passing of the resolution, such authority to expire at the Annual General Meeting of the Company to be held in 2022.

In accordance with the Listing Rules, the maximum price (excluding expenses) that may be paid on the exercise of the authority must not exceed the higher of:

- (i) 5% above the average closing price on the London Stock Exchange of an ordinary share over the five business days immediately preceding the date of purchase; and
- (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003).

The minimum price (exclusive of expenses) that may be paid will be the nominal value of an ordinary share. Purchases of shares will be made within guidelines established, from time to time, by the Board. Your attention is drawn to Resolution 14 in the Notice of Annual General Meeting.

Recommendation

The Directors consider each resolution being proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of them, as they intend to do where possible in respect of their own beneficial shareholdings.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 16 to the Financial Statements.

Future Developments of the Company

The outlook for the Company for the next 12 months is set out in the Chairman's Statement on pages 2 to 4 and the Managers' Review on pages 12 to 14.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a general meeting of shareholders.

Disclosure of Information to Auditor

The Directors confirm that so far as each of the Directors is aware there is no relevant audit information of which the Company's Auditor is unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

The Auditor, Ernst & Young LLP, is willing to continue in office and in accordance with section 489 and section 491(1) of the Companies Act 2006, resolutions concerning Ernst & Young LLP's reappointment and remuneration will be submitted to the Annual General Meeting.

Post Balance Sheet Events

The Directors confirm that there have been no post Balance Sheet events which require adjustment of, or disclosure in, the Financial Statements or notes thereto up to 9 December 2020.

Greenhouse Gas Emissions and Streamlined Energy and Carbon Report ('SECR')

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reasons as set out above, the Company is a low energy user under the SECR regulations and has no energy and carbon information to disclose.

Bribery Act

The Company has a zero tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Managers also adopt a zero tolerance approach and have policies and procedures in place to prevent bribery.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2020

Corporate Governance Report

The Board is committed to achieving and demonstrating high standards of Corporate Governance. This statement outlines how the principles of the 2018 UK Corporate Governance Code (the 'Code') which can be found at www.frc.org.uk and the principles of the Association of Investment Companies Code of Corporate Governance (the 'AIC Code' issued in 2019) were applied throughout the financial year. The AIC Code provides a framework of best practice for investment companies and can be found at www.theaic.co.uk.

Compliance

The Board confirms that the Company has complied throughout the year under review with the relevant provisions of the Code and the recommendations of the AIC Code. The Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. Given that the Company is an externally managed investment trust, the Board considers these provisions are not relevant to the Company (the need for an internal audit function specific to the Company has been addressed on page 33).

The FRC has confirmed that AIC member companies who report against the AIC Code will be meeting their obligations in relation to the UK Code.

The Board

The Board has overall responsibility for the Company's affairs. It has a number of matters formally reserved for its approval including strategy, investment policy, currency hedging, gearing, treasury matters, dividend and corporate governance policy. A separate strategy session is held annually. The Board also reviews the Financial Statements, investment transactions, revenue budgets and performance of the Company. Full and timely information is provided to the Board to enable the Board to function effectively and to allow Directors to discharge their responsibilities.

The Board comprises seven Directors all of whom are non-executive.

The Chairman, Mr HCT Strutt, is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda.

The executive responsibilities for investment management have been delegated to the Company's Alternative Investment Fund Manager ('AIFM'), Baillie Gifford & Co Limited, and in the context of a Board comprising entirely non-executive Directors, there is no chief executive officer. Mr WJ Ducas is the Senior Independent Director.

The Directors believe that the Board has a balance of skills and experience which enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 23 and 24.

There is an agreed procedure for Directors to seek independent professional advice if necessary at the Company's expense. No such advice was sought in the year to 31 October 2020 or 31 October 2019.

Appointments

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for inspection on request.

Under the provisions of the Company's Articles of Association, a Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting. In accordance with the principals of the AIC Code all Directors will offer themselves for re-election annually.

The reasons why the Board supports the re-elections are set out on page 25.

Directors are not entitled to any termination payments in relation to their appointment.

Chairperson and Directors' Tenure

The Nomination Committee has considered the question of tenure for Directors and has concluded that there should not be a set maximum time limit for a Director or Chairperson to serve on the Board. The Nomination Committee keeps under review the balance of skills, knowledge, experience, performance and length of service of the Directors ensuring the Board has the appropriate combination of skills and Company knowledge and experience. This is balanced against the appointment of new Directors having fresh ideas and perspective.

Independence of Directors

All of the Directors are considered by the Board to be independent of the Managers and free of any business or other relationship which could interfere with the exercise of their independent judgement.

The Directors recognise the importance of succession planning for company boards and review the Board composition annually. 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, where continuity and experience can be a benefit to the Board. The Board concurs with the view expressed in the AIC Code that long serving Directors should not be prevented from being considered independent.

Mr DAJ Cameron, Mr WJ Ducas and Ms H James, have all served on the Board for more than nine years. All Directors offer themselves for re-election annually. Following formal performance evaluation the Board considers that Mr DAJ Cameron, Mr WJ Ducas and Ms H James continue to be independent in character and judgement and their skills and experience were a significant benefit to the Board.

Meetings

There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, revenue budgets, dividend policy and communication with shareholders. The Board considers that it meets sufficiently regularly to discharge its duties effectively. The following table shows the attendance record for the Board and Committee Meetings held during the year, excluding ancillary and sub-committee meetings. The Annual General Meeting was attended by all the Directors in office as at 22 January 2020.

Directors' Attendance at Meetings

	Board	Audit and Management Engagement Committee	Nomination Committee
Number of meetings	5	2	1
HCT Strutt	5	2	1
DAJ Cameron	4	2	–
WJ Ducas*	5	–	1
H James	5	2	1
CA Roxburgh†	3	1	1
JA Simpson-Dent†	3	1	1
MIG Wilson	5	2	1

* Mr WJ Ducas is not a member of the Audit and Management Engagement Committee.

† Appointed 1 February 2020.

Nomination Committee

The Nomination Committee consists of the whole Board and the Chairman of the Board is Chairman of the Committee except when the Committee is dealing with the matter of succession to the Chairmanship of the Company. The Committee meets on an annual basis and at such other times as may be required. The Committee has written terms of reference which include reviewing the composition of the Board, identifying and nominating new candidates for appointment to the Board, Board appraisal, succession planning and training. The Committee also considers whether Directors should be recommended for re-election by shareholders. The Committee is responsible for considering Directors' potential conflicts of interest and for making recommendations to the Board on whether or not the potential conflicts should be authorised.

The Committee's terms of reference are available on request from the Company and on the Company's page on the Managers' website: www.edinburghworldwide.co.uk.

Board Diversity

The Board recognises the benefits of diversity, and the Company's policy on diversity is referred to in the Strategic Report. The Board's priority in appointing new Directors to the Board is to identify candidates with the best range of skills and experience to complement existing Directors. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, it is the Board's policy to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. Accordingly the Board does not consider it appropriate to set diversity targets.

Board Composition

In order to fulfil its obligations, the Board recognises the importance of having a range of skilled and experienced Directors, balancing the benefits of length of service and knowledge of the Company with the desirability of ensuring regular refreshment of the Board. The Board reviews its composition annually. As reported last year, the Nomination

Committee commissioned a search to find two new independent non-executive Directors using the services of Nurole Limited, an executive search firm which has no other connection with the Company or its Directors. The Directors drew up specifications for these appointments and interviewed a shortlist of suitable candidates. Following this process the Board appointed Ms Caroline Roxburgh and Mr Jonathan Simpson-Dent as Directors with effect from 1 February 2020.

It was also reported last year that Mr William Ducas intended to retire from the Board in 2020. Unfortunately, due to the restrictions imposed by Covid-19, the Board has been unable to meet face-to-face following the appointment of the two new Directors. In these circumstances the Board decided that, in the interests of continuity, it would be desirable for Mr Ducas to remain on the Board until such time as it is possible to resume face-to-face meetings. Accordingly it is intended that Mr Ducas will retire from the Board by the end of June 2021.

Performance Evaluation

As was also reported last year, the Board intended to engage an independent facilitation company to conduct an external Board evaluation in 2020. While the Board has agreed preliminary terms of engagement with an independent facilitation company, it has been decided to defer this evaluation until such time as the Board, including the newly appointed Directors, has been able to meet on a face-to-face basis.

The appraisals and evaluations considered, amongst other criteria, the balance of skills of the Board, training and development requirements, the contribution of individual Directors and the overall effectiveness of the Board and its Committees. Following this process it was concluded that the performance of each Director, the Chairman, the Board and its Committees continues to be effective and each Director and the Chairman remain committed to the Company.

A review of the Chairman's and other Directors' commitments was carried out and the Nomination Committee is satisfied that they are capable of devoting sufficient time to the Company. There were no significant changes to the Chairman's other commitments during the year.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee. During the year briefings on industry and regulatory matters were provided to the Board by the Managers and Secretaries. Directors receive other relevant training as necessary.

Remuneration

As all the Directors are non-executive, there is no requirement for a separate Remuneration Committee. Directors' fees are considered by the Board as a whole within the limits approved by shareholders. The Company's policy on remuneration is set out in the Directors' Remuneration Report on page 35.

Audit and Management Engagement Committee

The report of the Audit and Management Engagement Committee is set out on pages 33 and 34.

Internal Controls and Risk Management

The Directors acknowledge their responsibility for the Company's risk management and internal controls systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is a continuing process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly, including the maintenance of effective operational and compliance controls have been delegated to the Managers and Secretaries.

The Board oversees the functions delegated to the Managers and Secretaries and the controls managed by the AIFM in accordance with the Alternative Investment Fund Managers Directive (as detailed below). Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provide the Audit and Management Engagement Committee with regular reports on their monitoring programmes. The reporting procedures for these departments are defined and formalised within a service level agreement. Baillie Gifford & Co conducts an annual review of its system of internal controls which is documented within an internal controls report which complies with ISAE 3402 and Technical Release AAF 01/06 – Assurance Reports on Internal Controls of Service Organisations made available to Third Parties. This report is independently reviewed by Baillie Gifford & Co's Auditor and a copy is submitted to the Audit and Management Engagement Committee.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit and Management Engagement Committee.

These procedures ensure that consideration is given regularly to the nature and extent of risks facing the Company and that they are being actively monitored. Where changes in risk have been identified during the year they also provide a mechanism to assess whether further action is required to manage these risks.

The Directors confirm that they have reviewed the effectiveness of the Company's risk management and internal controls systems which accord with the FRC guidance 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' and they have procedures in place to review their effectiveness on a regular basis. No significant weaknesses were identified in the year under review and up to the date of this Report.

The Board confirms that these procedures have been in place throughout the Company's financial year and continue to be in place up to the date of approval of this Report.

To comply with the Alternative Investment Fund Managers Directive, The Bank of New York Mellon (International) Limited act as the Company's Depositary and Baillie Gifford & Co Limited as its AIFM.

The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets and monitoring the Company's compliance with investment limits and leverage requirements. The Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Company's Depositary also acts as the Company's Custodian. The Custodian prepares reports on its key controls and safeguards which are independently reviewed by KPMG LLP. The reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit and Management Engagement Committee and any concerns are investigated.

The Depositary provides the Audit and Management Engagement Committee with a report on its monitoring activities.

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor compliance with risk limits. The AIFM has a risk management policy which covers the risks associated with the management of the portfolio, and the adequacy and effectiveness of this policy is reviewed and approved at least annually. This review includes the risk management processes and systems and limits for each risk area.

The risk limits, which are set by the AIFM and approved by the Board, take into account the objectives, strategy and risk profile of the portfolio. These limits, including leverage (see note 18 on page 64), are monitored and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables in the portfolio. Exceptions from limits monitoring and stress testing undertaken by Baillie Gifford's Business Risk Department are escalated to the AIFM and reported to the Board along with any remedial measures being taken.

Going Concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, including its Covid-19 guidance, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern and specifically in the context of the coronavirus pandemic.

The Company's principal risks are market related and include market risk, liquidity risk and credit risk. An explanation of these risks and how they are managed is set out on pages 8 to 10 and contained in note 16 to the Financial Statements. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus (Covid-19) outbreak but does not believe the Company's going concern status is affected.

The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Custodian and Depositary, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company.

Accordingly, the Financial Statements have been prepared on the going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the coronavirus outbreak set out in the Viability Statement on page 10 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

Relations with Shareholders

The Board places great importance on communication with shareholders. The Company's Managers communicate regularly with shareholders and their representatives and report shareholders' views to the Board. The Chairman is available to meet with shareholders as appropriate. Shareholders wishing to communicate with any member of the Board may do so by writing to them at the Company's registered office or through the Company's broker Numis Securities Limited (see contact details on the back cover).

The Company's Annual General Meeting provides a forum for communication with all shareholders. The level of proxies lodged for each resolution is announced at the meeting and is published on the Company's page of the Managers' website www.edinburghworldwide.co.uk subsequent to the meeting.

The notice period for the Annual General Meeting is at least twenty working days.

Shareholders and potential investors may obtain up-to-date information on the Company at www.edinburghworldwide.co.uk.

Corporate Governance and Stewardship

The Company has given discretionary voting powers to Baillie Gifford & Co. The Managers vote against resolutions they consider may damage shareholders' rights or economic interests.

The Company believes that it is in the shareholders' interests to consider environmental, social and governance ('ESG') factors when selecting and retaining investments and have asked the Managers to take these issues into account as long as the investment objectives are not compromised. The Managers do not exclude companies from their investment universe purely on the grounds of ESG factors but adopt a positive engagement approach whereby matters are discussed with management with the aim of improving the relevant policies and management systems and enabling the Managers to consider how ESG factors could impact long term investment returns. The Managers' statement of compliance with the UK Stewardship Code can be found on the Managers' website at www.bailliegifford.com. The Managers' policy has been reviewed and endorsed by the Board.

The Managers, Baillie Gifford & Co, are signatories to the United Nations Principles for Responsible Investment and the Carbon Disclosure Project and are also members of the Asian Corporate Governance Association and International Corporate Governance Network.

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2020

Audit and Management Engagement Committee Report

The Audit and Management Engagement Committee consists of all independent Directors with the exception of Mr WJ Ducas who stepped down from the Committee on 20 September 2017. With reference to the guidance from the 2019 AIC Code of Corporate Governance it is considered appropriate for Mr HCT Strutt, the Chairman, to be a member of the Audit and Management Engagement Committee as he is a qualified chartered accountant and as such brings significant financial experience to the Committee. The members of the Committee consider that they have the requisite financial skills and experience to fulfil the responsibilities of the Committee. Mr DAJ Cameron is Chairman of the Committee.

The Committee's authority and duties are clearly defined within its written terms of reference which are available on request from the Company Secretaries and at www.edinburghworldwide.co.uk. The terms of reference are reviewed annually.

The Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process.

At least once a year the Committee meets with the external Auditor without any representative of the Managers being present.

Main Activities of the Committee

The Committee met twice during the year, and the external Auditor, Ernst & Young LLP, attended both meetings. Baillie Gifford & Co's Internal Audit and Compliance Departments and the AIFM's permanent risk function provided reports on their monitoring programmes for the meetings.

The matters considered, monitored and reviewed by the Committee during the course of the year included the following:

- the preliminary results announcement and the Annual and Interim Reports;
- the Company's accounting policies and practices;
- the regulatory changes impacting the Company;
- the fairness, balance and understandability of the Annual Report and Financial Statements and provide advice to the Board whether it provided the information necessary for shareholders to assess the Company's performance, business model and strategy;
- the effectiveness of the Company's internal control environment;
- appointment/reappointment, remuneration and terms of engagement of the external Auditor;
- whether the audit services contract should be put out to tender;
- the policy on the engagement of the external Auditor to supply non-audit services;
- the independence and objectivity of the external Auditor and the effectiveness of the external audit process;
- the need for the Company to have its own internal audit function;

- internal controls reports received from the Managers and Custodian;
- the terms of the Investment Management Agreement, as described on page 25 and the continuing appointment of the Managers; and
- the arrangements in place within Baillie Gifford & Co whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Internal Audit

The Committee continues to believe that the compliance and internal controls systems and the internal audit function in place within the Investment Managers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. An internal audit function, specific to the Company is therefore considered unnecessary.

Financial Reporting

The Committee considers that the most significant issue likely to affect the Financial Statements is the existence and valuation of investments as they represent 96.3% of total assets and the accuracy and completeness of income from investments.

Unlisted Investments

The Committee reviewed the Managers' valuation approach for investments in unlisted companies (as described on page 49) and approved the value of all unlisted investments at 31 October 2020, following a detailed review of the valuation of each investment and relevant challenge where appropriate.

The Managers agreed the holdings in certificated form to confirmations from the Company's custodian and holdings of uncertificated unlisted investments were agreed to confirmations from the relevant investee companies.

Listed Investments

The majority of the investments are in quoted securities and market prices are readily available from independent external pricing sources. The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding recording and pricing of investments and the reconciliation of investment holdings to third party data.

The Managers agreed the prices of all the listed investments at 31 October 2020 to external price sources and the holdings were agreed to confirmations from the Company's Custodian or Transfer Agent.

Other Matters

The Committee reviewed the Managers' Report on Internal Controls which details the controls in place regarding completeness and accurate recording of investment income. The accounting treatment of each special dividend received or receivable during the year are reviewed by the Managers as they arise.

The Committee considered the factors, including the impact of Covid-19, that might affect the Company's viability over a period of five years and its ability to continue as a going concern for at least twelve months from the date of signing of the Financial Statements, together with reports from the Managers on the cash position and cash flow projections of the Company, the liquidity of its investment portfolio, compliance with debt covenants, availability of borrowing facilities, and the Company's ability to meet its obligations as they fall due. The Committee also reviewed the Viability Statement on page 10 and statement on Going Concern on pages 31 and 32 including the potential impact of Covid-19. Following this assessment, the Committee recommended to the Board the appropriateness of the Going Concern basis in preparing the Financial Statements and confirmed the accuracy of the Viability Statement and statement on Going Concern.

The Auditor confirmed to the Committee that the investments at 31 October 2020 had been valued in accordance with the stated accounting policies. The value of all the listed investments had been agreed to external price sources and the portfolio holdings agreed to confirmations from the Company's Custodian.

The Managers and Auditor confirmed to the Committee that they were not aware of any material misstatements in the context of the Financial Statements as a whole and that the Financial Statements are in accordance with applicable law and accounting standards.

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's risk management and internal controls systems as described on page 31. No significant weaknesses were identified in the year under review.

External Auditor

To fulfil its responsibility regarding the independence of the external Auditor, the Committee reviewed:

- the Auditor's audit plan for the current year which includes a report from the Auditor describing their arrangements to manage auditor independence and received confirmation of their independence; and
- the extent of non-audit services provided by the external Auditor. There were no non-audit fees in the year to 31 October 2020. Ernst & Young LLP provide an iXBRL tagging service to the Company. The engagement is with Baillie Gifford & Co and the Company is not recharged for this service. The fee charged for this service was £1,500. Ernst & Young LLP have resigned from these services following the changes to the Ethical Standard with effect from 15 March 2020.

To assess the effectiveness of the external Auditor, the Committee reviewed and considered:

- the Auditor's fulfilment of the agreed audit plan;
- feedback from the Secretaries on the performance of the audit team; and
- the Audit Quality Inspection Report on Ernst & Young LLP issued by the FRC's Audit Quality Review team.

To fulfil its responsibility for oversight of the external audit process the Committee considered and reviewed:

- the Auditor's engagement letter;
- the Auditor's proposed audit strategy;
- the audit fee; and
- a report from the Auditor on the conclusion of the audit.

Ernst & Young LLP were appointed as the Company's Auditor at the Annual General Meeting held on 24 January 2017. The audit partner responsible for the audit is to be rotated at least every five years in accordance with professional and regulatory standards in order to protect independence and objectivity and to provide fresh challenge to the business. The year ending 31 October 2020 is the fourth year out of a maximum of five for the current audit partner, Caroline Mercer.

Ernst & Young LLP have confirmed that they believe they are independent within the meaning of regulatory and professional requirements and that the objectivity of the audit partner and staff is not impaired.

Having carried out the review described above, the Committee is satisfied that the Auditor remains independent and effective for the purposes of this year's audit and, as such, has not considered it necessary to put the audit services contract out to tender.

There are no contractual obligations restricting the Committee's choice of Auditor.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are set out on pages 37 to 43.

On behalf of the Board
Donald AJ Cameron
Chairman of the Audit and Management Engagement Committee
9 December 2020

Directors' Remuneration Report

This report has been prepared in accordance with the requirements of the Companies Act 2006.

Statement by the Chairman

The Directors' Remuneration Policy is subject to shareholder approval every three years or sooner if an alteration to the policy is proposed. The Remuneration Policy which is set out below was last approved at the Annual General Meeting in January 2020 and no changes to the policy are proposed.

The Board reviewed the level of fees during the year and following a review of the Directors' time commitment and the fees paid by comparable trusts it was agreed that, with effect from 1 November 2020, the Chairman's fee would increase from £35,500 to £36,500, the Directors' fees would increase from £24,000 to £25,000 and the additional fee for the Audit and Management Engagement Committee Chairman would increase from £4,500 to £5,000 per annum. The fees were last increased on 1 November 2019.

Directors' Remuneration Policy

The Board is composed wholly of non-executive Directors, none of whom has a service contract with the Company. There is no separate remuneration committee and the Board as a whole considers changes to Directors' fees from time to time. Baillie Gifford & Co Limited, the Company Secretaries, provide comparative information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of Directors should be set at a reasonable level that is commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should reflect the experience of the Board as a whole, be fair and should take account of the level of fees paid by comparable investment trusts. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board when reviewing the Board's policy on remuneration.

Non-executive Directors are not eligible for any other remuneration or benefits apart from the reimbursement of allowable expenses. There

are no performance conditions relating to Directors' fees and there are no long term incentive schemes or pension schemes. There is no notice period and no compensation is payable on loss of office.

Limits on Directors' Remuneration

The fees for the non-executive Directors are payable quarterly in arrears and are determined within the limit set out in the Company's Articles of Association which is currently £200,000 per annum in aggregate. Any change to this limit requires shareholder approval.

The basic and additional fees payable to Directors in respect of the year ended 31 October 2020 and the expected fees payable in respect of the year ending 31 October 2021 are set out in the table below. The fees payable to the Directors in the subsequent financial periods will be determined following an annual review of the Directors' fees.

	Expected fees for year ending 31 Oct 2021 £	Fees for year ending 31 Oct 2020 £
Chairman's fee	36,500	35,500
Non-executive Director fee	25,000	24,000
Additional fee for Chairman of the Audit and Management Engagement Committee	5,000	4,500
Total aggregate annual fees that can be paid to the Directors in any year under the Directors' Remuneration Policy, as set out in the Company's Articles of Association*	200,000	200,000

* Approved by shareholders 23 January 2019.

Annual Report on Remuneration

An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 38 to 43.

Directors' Remuneration for the Year (audited)

The Directors who served during the year received the following remuneration in the form of fees and taxable benefits. This represents the entire remuneration paid to the Directors.

Name	2020 Fees £	2020 Taxable benefits* £	2020 Total £	2019 Fees £	2019 Taxable benefits* £	2019 Total £
HCT Strutt (Chairman)	35,500	2,068	37,568	34,500	2,880	37,380
DAJ Cameron (Audit and Management Engagement Committee Chairman)	28,500	–	28,500	27,000	–	27,000
WJ Ducas	24,000	989	24,989	23,000	1,163	24,163
H James	24,000	1,544	25,544	23,000	1,422	24,422
CA Roxburgh (appointed on 1 February 2020)	18,000	–	18,000	–	–	–
JA Simpson-Dent (appointed on 1 February 2020)	18,000	–	18,000	–	–	–
MIG Wilson	24,000	1,735	25,735	23,000	2,544	25,544
	172,000	6,336	178,336	130,500	8,009	138,509

* Comprises expenses incurred by Directors in the course of travel to attend Board and Committee meetings held at the Edinburgh offices of Baillie Gifford & Co Limited, the Company's Secretaries.

Directors' Interests (audited)

The Directors are not required to hold shares in the Company. The Directors at the financial year end, and their interests in the Company, were as shown below. There have been no changes intimated in the Directors' interests up to 9 December 2020.

Name	Nature of interest	Ordinary shares held at 31 Oct 2020	Ordinary shares held at 31 Oct 2019
HCT Strutt	Beneficial	358,000	358,000
DAJ Cameron	Beneficial	8,717	8,717
WJ Ducas	Beneficial	140,000	140,000
H James	Beneficial	11,500	11,500
CA Roxburgh*	Beneficial	15,179	–
JA Simpson-Dent*	Beneficial	10,750	–
MIG Wilson	Beneficial	–	–

* Appointed on 1 February 2020.

Statement of Voting at Annual General Meeting

At the Annual General Meeting held on 22 January 2020, of the proxy votes received in respect of the Directors' Remuneration Policy, 99.3% were in favour, 0.4% were against and votes withheld were 0.3%.

At the Annual General Meeting held on 22 January 2020, of the proxy votes received in respect of the Directors' Remuneration Report, 99.4% were in favour, 0.4% were against and votes withheld were 0.2%.

Relative Importance of Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The Directors' remuneration for the year is set out on the previous page. There were no distributions to shareholders by way of dividend or share repurchases during the year (2019 – none).

Directors' Service Details

Name	Date of appointment	Due date for re-election /election
HCT Strutt	1 November 2011	AGM in 2021
DAJ Cameron	2 December 2010	AGM in 2021
WJ Ducas	22 March 2002	AGM in 2021
H James	2 December 2010	AGM in 2021
CA Roxburgh	1 February 2020	AGM in 2021
JA Simpson-Dent	1 February 2020	AGM in 2021
MIG Wilson	8 December 2016	AGM in 2021

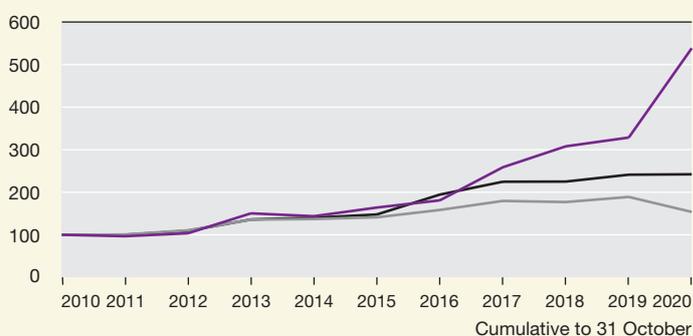
Company Performance

The following graph compares, for the ten financial years ended 31 October 2020, the share price total return (assuming all dividends are reinvested) to Edinburgh Worldwide ordinary shareholders compared to the total shareholder return on a notional investment made up of shares in the component parts of the FTSE All-Share Index. This index was chosen for comparison purposes as it is a widely used measure of performance for UK listed companies. Comparative Index provided for information purposes only.

Performance Graph

Edinburgh Worldwide's Share Price, FTSE All-Share Index and Comparative Index*

(figures have been rebased to 100 at 31 October 2010)



Source: Refinitiv and relevant underlying index providers. See disclaimer on page 71.

— Edinburgh Worldwide share price
 — FTSE All-Share Index
 — Comparative Index* (in sterling terms)

All figures are total return (assuming all dividends reinvested).

* MSCI All Countries World Index (in sterling terms) until 31 January 2014, thereafter the S&P Global Small Cap Index total return (in sterling terms). The comparative index data has been chain linked to form one comparative index figure. See disclaimer on page 71.

Past performance is not a guide to future performance.

Approval

The Directors' Remuneration Report on pages 35 and 36 was approved by the Board of Directors and signed on its behalf on 9 December 2020.

Henry CT Strutt
 Chairman

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

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 they have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping 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 Companies Act 2006. 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 laws and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that complies with that law and those regulations.

The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The work carried out by the Auditor does not involve any consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Each of the Directors, whose names and functions are listed within the Directors and Management section, confirm that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- 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 performance, business model and strategy; and
- 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.

On behalf of the Board
Henry CT Strutt
Chairman
9 December 2020

Independent Auditor's Report To the Members of Edinburgh Worldwide Investment Trust plc

Opinion

We have audited the financial statements of Edinburgh Worldwide Investment Trust plc (the 'Company') for the year ended 31 October 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 18, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the Company's affairs as at 31 October 2020 and of its profit 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.

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 below. We are 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Principal Risks, Going Concern and Viability Statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 8 to 10 that describe the principal and emerging risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 8 in the annual report that they have carried out a robust assessment of the principal and emerging risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;

- the directors' statement set out on pages 31 and 32 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 10 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of Our Audit Approach

Key audit matters	Risk of incorrect valuation or ownership of the investment portfolio Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement Failure to adequately disclose the impact of Covid-19
Materiality	Overall materiality of £9.92m which represents 1% of shareholders' funds

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
<p>Incorrect valuation or ownership of the investment portfolio (as described on page 33 in the Audit and Management Engagement Committee Report and the accounting policy set out on page 49).</p> <p>The valuation of the investment portfolio at 31 October 2020 was £1,002.19m (2019 – £572.86m) consisting of quoted equities with an aggregate value of £941.39m (2019 – £540.68m) and unquoted equities with an aggregate value of £60.80m (2019 – £32.18m).</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of quoted investments is determined by reference to bid value or the last traded price depending on the convention of the exchange on which the investment is quoted.</p> <p>Unquoted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Baillie Gifford Private Companies Valuation Group. The unquoted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation guidelines ('IPEV').</p> <p>The valuation of the unquoted investments, and the resultant impact on the unrealised gains/(losses), is the area requiring the most significant judgement and estimation in the preparation of the financial statements.</p>	<p>We have performed the following procedures:</p> <p>We obtained an understanding of Baillie Gifford's processes and controls surrounding investment title and pricing of quoted and unquoted securities by performing walkthrough procedures.</p> <p>For quoted investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We inspected the stale pricing reports produced by Baillie Gifford to identify prices that have not changed within 1 business day and verified whether the quoted price is a valid fair value.</p> <p>For a sample of unquoted investments held as at the year-end we utilised our specialist Valuations and Business Modelling team to review and challenge the valuations. This included:</p> <ul style="list-style-type: none"> – Reviewing the valuation papers prepared by the Manager for the final quarter of the year; – Assessing whether the valuations have been performed in line with the IPEV guidelines; – Assessing the appropriateness of the data inputs and challenging the assumptions used to support the valuations; and – Assessing other facts and circumstances, such as market movement and comparative company information, that have an impact on the fair market value of the investments. <p>For the remaining unquoted investments, we obtained and assessed the valuation papers to support the valuation of the investments as at 31 October 2020.</p> <p>We recalculated the unrealised gains/(losses) on unquoted investments as at the year-end using the book-cost reconciliation and reviewed the level 3 fair value hierarchy disclosure. We tested 100% of unquoted investment purchases to share certificates and bank statements.</p> <p>We compared the Company's investment holdings at 31 October 2020 to independent confirmations received directly from the Company's Custodian and Depositary, testing material reconciling items to supporting documentation.</p>	<p>The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment portfolio.</p>

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
<p>Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement (per the Audit and Management Engagement Committee report set out on page 33 and the accounting policy set out on page 50).</p> <p>The total revenue for the year to 31 October 2020 was £0.77 m (2019: £1.23m), consisting primarily of dividend income from quoted equity investments.</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>The total special dividends received by the Company amounted to £0.06m. The directors are required to exercise judgment in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of Baillie Gifford's processes and controls surrounding revenue recognition by performing walkthrough procedures.</p> <p>For 100% of dividends, we recalculated the income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source.</p> <p>To test completeness of recorded income, we tested that a sample of expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent data vendor.</p> <p>We performed a review of the income and acquisition and disposal reports produced by Baillie Gifford to identify all dividends received and accrued during the period that were above our testing threshold. There were no special dividends above our testing threshold individually or in aggregate.</p>	<p>The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.</p>
<p>Failure to adequately disclose the impact of Covid-19 (as described on pages 8 to 10 in the Strategic Report, page 34 in the Audit and Management Engagement Committee's Report and as per the accounting policy set out on page 48).</p> <p>The Covid-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.</p> <p>The Covid-19 pandemic had the most significant impact on our audit of the financial statements in the following areas:</p> <p>Going concern</p> <p>There is increased uncertainty in certain assumptions underlying management's assessment of future prospects, including the impact of Covid-19 on the Company continuing to meet debt obligations and the ability to fund ongoing costs.</p> <p>Financial statement disclosures</p> <p>There is a risk that the impact of Covid-19 is not adequately disclosed in the financial statements.</p>	<p>We performed the following procedures:</p> <p>Going Concern</p> <p>We inspected the Directors' assessment of going concern, which includes consideration of the impact of Covid-19, and challenged the assumptions made in the preparation of the revenue and expenses forecast. We have verified the inputs and assumptions used in the assessment to historically observed results of the Company.</p> <p>We inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a future reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors.</p> <p>Financial statements disclosures</p> <p>We reviewed the adequacy of the Covid-19 and going concern disclosures by evaluating whether they were consistent with the Directors' assessment. We reviewed the disclosures for compliance with the reporting requirements</p>	<p>As a result of our procedures we have determined that the Directors' conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to Covid-19 and going concern and determined that they are appropriate.</p>

We re-assessed the risks determined in the prior year and due to the uncertainty in global markets caused by the Covid-19 pandemic, we have included a key audit matter titled 'Failure to adequately disclose the impact of Covid-19'. Our other key audit matters are unchanged from the prior year.

An Overview of the Scope of Our Audit

Tailoring the Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We consider size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Our Application of Materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £9.92m (2019 – £5.37m) which is 1% of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measurement of the Company's performance.

Performance Materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2019 – 75%) of our planning materiality, namely £7.44m (2019 – £4.03m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report to them all uncorrected audit differences in excess of £0.50m (2019 – £0.27m) which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

The other information comprises the information included in the annual report set out on pages 1 to 37 and 65 to 73, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 37** – the statement given by the directors that they consider 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 performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit and Management Engagement Committee reporting set out on pages 33 and 34** – the section describing the work of the Audit and Management Engagement Committee does not appropriately address matters communicated by us to the Audit and Management Engagement Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 29** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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 directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to Report by Exception

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 directors' report.

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, 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 directors' responsibilities statement set out on page 37, 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.

Explanation as to what Extent the Audit was Considered Capable of Detecting Irregularities, including Fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Management Engagement Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified fraud risks with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends between revenue and capital and incorrect valuation of the unquoted investments and the resultant impact on the unrealised gains/ (losses). Further discussion of our approach is set out in the section on key audit matters above.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's report.

Other Matters we are Required to Address

- Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Company on 24 January 2017 to audit the financial statements of the Company for the period ending 31 October 2017 and subsequent financial periods.
- The period of total uninterrupted engagement is 4 years, covering periods from our appointment through to the period ending 31 October 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

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.

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
9 December 2020

Notes

The following notes relate to financial statements published on a website and are not included in the printed version of the Annual Report and Financial Statements:

- The Directors have delegated responsibility to the Managers for the maintenance and integrity of the Company's page of the Managers' website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website; and
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement

For the year ended 31 October

	Notes	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Gains on investments	8	–	329,236	329,236	–	37,417	37,417
Currency (losses)/gains	12	–	(1,360)	(1,360)	–	182	182
Income	2	773	–	773	1,229	–	1,229
Investment management fee	3	(1,145)	(3,434)	(4,579)	(820)	(2,461)	(3,281)
Other administrative expenses	4	(715)	–	(715)	(671)	–	(671)
Net return before finance costs and taxation		(1,087)	324,442	323,355	(262)	35,138	34,876
Finance costs of borrowings	5	(331)	(991)	(1,322)	(368)	(1,105)	(1,473)
Net return before taxation		(1,418)	323,451	322,033	(630)	34,033	33,403
Tax	6	(61)	–	(61)	(54)	–	(54)
Net return after taxation		(1,479)	323,451	321,972	(684)	34,033	33,349
Net return per ordinary share	7	(0.46p)	100.89p	100.43p	(0.23p)	11.57p	11.34p

The total column of this Statement represents the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in this Statement derive from continuing operations.

A Statement of Comprehensive Income is not required as the Company does not have any other comprehensive income and the net return after taxation is both the profit and comprehensive income for the year.

The accompanying notes on pages 48 to 64 are an integral part of the Financial Statements.

Balance Sheet

As at 31 October

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Investments held at fair value through profit or loss	8		1,002,194		572,859
Current assets					
Debtors	9	160		155	
Cash and cash equivalents	16	40,894		13,342	
			41,054		13,497
Creditors					
Amounts falling due within one year	10	(51,514)		(49,638)	
Net current liabilities			(10,460)		(36,141)
Net assets			991,734		536,718
Capital and reserves					
Share capital	11		3,543		3,026
Share premium account	12		316,281		183,754
Special reserve	12		35,220		35,220
Capital reserve	12		638,381		314,930
Revenue reserve	12		(1,691)		(212)
Shareholders' funds			991,734		536,718
Net asset value per ordinary share			279.90p		177.37p

The Financial Statements of Edinburgh Worldwide Investment Trust plc (Company registration number SC184775) were approved and authorised for issue by the Board and were signed on 9 December 2020.

Henry CT Strutt
Chairman

The accompanying notes on pages 48 to 64 are an integral part of the Financial Statements.

Statement of Changes in Equity

For the year ended 31 October 2020

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2019		3,026	183,754	35,220	314,930	(212)	536,718
Ordinary shares issued	11	517	132,527	–	–	–	133,044
Net return after taxation	12	–	–	–	323,451	(1,479)	321,972
Shareholders' funds at 31 October 2020		3,543	316,281	35,220	638,381	(1,691)	991,734

For the year ended 31 October 2019

	Notes	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 November 2018		2,861	153,024	35,220	280,897	472	472,474
Ordinary shares issued	11	165	30,730	–	–	–	30,895
Net return after taxation		–	–	–	34,033	(684)	33,349
Shareholders' funds at 31 October 2019		3,026	183,754	35,220	314,930	(212)	536,718

The accompanying notes on pages 48 to 64 are an integral part of the Financial Statements.

Cash Flow Statement

For the year ended 31 October

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash flows from operating activities					
Net return before taxation			322,033		33,403
Net gains on investments			(329,236)		(37,417)
Currency losses/(gains)			1,360		(182)
Finance costs of borrowings			1,322		1,473
Overseas withholding tax incurred			(62)		(56)
Changes in debtors and creditors			623		54
Cash from operations*			(3,960)		(2,725)
Interest paid			(1,378)		(1,469)
Net cash outflow from operating activities			(5,338)		(4,194)
Cash flows from investing activities					
Acquisitions of investments		(164,843)		(61,085)	
Disposals of investments		65,917		23,969	
Net cash outflow from investing activities			(98,926)		(37,116)
Cash flows from financing activities					
Ordinary shares issued	11	133,044		30,895	
Bank loans drawn down		198,933		88,580	
Bank loans repaid		(198,933)		(88,158)	
Net cash inflow from financing activities			133,044		31,317
Increase/(decrease) in cash and cash equivalents					
Exchange movements			(1,228)		(272)
Cash and cash equivalents at 1 November			13,342		23,607
Cash and cash equivalents at 31 October			40,894		13,342

* Cash from operations includes dividends received of £727,000 (2019 – £1,026,000) and deposit interest received of £60,000 (2019 – £217,000).

The accompanying notes on pages 48 to 64 are an integral part of the Financial Statements.

Notes to the Financial Statements

The Company was incorporated under the Companies Act 2006 in Scotland as a public limited company with registered number SC184775. 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.

1 Principal Accounting Policies

The Financial Statements for the year to 31 October 2020 have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and on the basis of the accounting policies set out below which are unchanged from the prior year and have been applied consistently.

(a) Basis of Accounting

All of the Company's operations are of a continuing nature and the Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of fixed asset investments at fair value through profit or loss, and on the assumption that approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 will be retained. The Board has, in particular, considered the impact of heightened market volatility since the coronavirus (Covid-19) outbreak but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly. All borrowings require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. The Company has continued to comply with the investment trust status requirements of section 1158 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. The Company's primary third party suppliers, including its Managers and Secretaries, Depositary and Custodian, Registrar, Auditor and Broker, are not experiencing significant operational difficulties affecting their respective services to the Company. Accordingly, the Financial Statements have been prepared on a going concern basis as it is the Directors' opinion, having assessed the principal and emerging risks and other matters including the impact of the coronavirus outbreak set out in the Viability Statement on page 10 which assesses the prospects of the Company over a period of five years, that the Company will continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

The Financial Statements have been prepared in accordance with the Companies Act 2006, applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies ('AIC') in November 2014 and updated in October 2019 with consequential amendments.

In order to reflect better the activities of the Company and in accordance with guidance issued by the AIC, supplementary information which analyses the profit and loss account between items of a revenue and capital nature has been presented in the Income Statement.

(b) Functional Currency

The Directors consider the Company's functional and presentational currency to be sterling as the Company's share capital is denominated in sterling, the entity is listed on a sterling stock exchange in the UK, the Company's shareholders are predominantly based in the UK and the Company and its investment manager, who are subject to the UK's regulatory environment, are also UK based.

(c) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when it becomes a party to the contractual provisions of the instrument.

(d) Accounting Estimates, Assumptions and Judgements

The preparation of the Financial Statements requires the use of estimates, assumptions and judgements. These estimates, assumptions and judgements affect the reported amounts of assets and liabilities, at the reporting date. While estimates are based on best judgement using information and financial data available, the actual outcome may differ from these estimates. The key sources of estimation and uncertainty relate to the fair value of the unlisted investments.

Judgements

The Directors consider that the preparation of the Financial Statements involves the following key judgements:

- (i) the determination of the functional currency of the Company as sterling (see rationale in 1(b) above); and
- (ii) the fair valuation of the unlisted investments.

The key judgements in the fair valuation process are:

- (i) the Managers' determination of the appropriate application of the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines 2018 to each unlisted investment; and
- (ii) the Directors' consideration of whether each fair value is appropriate following detailed review and challenge. The judgement applied in the selection of the methodology used (see 1(e) below) for determining the fair value of each unlisted investment can have a significant impact upon the valuation.

Estimates

The key estimate in the Financial Statements is the determination of the fair value of the unlisted investments by the Managers for consideration by the Directors. This estimate is key as it significantly impacts the valuation of the unlisted investments at the Balance Sheet date. The fair valuation process involves estimation using subjective inputs that are unobservable (for which market data is unavailable). The main estimates involved in the selection of the valuation process inputs are:

- (i) the selection of appropriate comparable companies in order to derive revenue multiples and meaningful relationships between enterprise value, revenue and earnings growth. Comparable companies are chosen on the basis of their business characteristics and growth patterns;
- (ii) the selection of a revenue metric (either historical or forecast);
- (iii) the application of an appropriate discount factor to reflect the reduced liquidity of unlisted companies versus their listed peers;

- (iv) the estimation of the probability assigned to an exit being through an initial public offering ('IPO') or a company sale;
- (v) the selection of an appropriate industry benchmark index to assist with the valuation validation or the application of valuation adjustments, particularly in the absence of established earnings or closely comparable peers; and
- (vi) the calculation of valuation adjustments derived from milestone analysis (i.e. incorporating operational success against the plan/forecasts of the business into the valuation).

Fair value estimates are cross-checked to alternative estimation methods where possible to improve the robustness of the estimates. As the valuation outcomes may differ from the fair value estimates a price sensitivity analysis is provided in Other Price Risk Sensitivity in note 16 on pages 60 to 62 to illustrate the effect on the Financial Statements of an over or under estimation of fair values. The risk of an over or under estimation of fair values is greater when methodologies are applied using more subjective inputs.

Assumptions

The determination of fair value by the Managers involves key assumptions dependent upon the valuation technique used. As explained in 1(e) below, the primary technique applied under the IPEV Guidelines is the Multiples approach. Where the Multiples approach is used the valuation process recognises also, as stated in the IPEV Guidelines, that the price of a recent investment may be an appropriate calibration for estimating fair value. The Multiples approach involves subjective inputs and therefore presents a greater risk of over or under estimation and particularly in the absence of a recent transaction.

The key assumptions for the Multiples approach are that the selection of comparable companies provides a reasonable basis for identifying relationships between enterprise value, revenue and growth to apply in the determination of fair value. Other assumptions include:

- (i) the discount applied for reduced liquidity versus listed peers;
- (ii) the probabilities assigned to an exit being through either an IPO or a company sale; and
- (iii) that the application of milestone analysis and industry benchmark indices are a reasonable basis for applying appropriate adjustments to the valuations. Valuations are cross-checked for reasonableness to alternative Multiples-based approaches or benchmark index movements as appropriate.

(e) Investments

The Company's investments are classified, recognised and measured at fair value through profit in accordance with sections 11 and 12 of FRS 102. Changes in the fair value of investments and gains and losses on disposal are recognised as capital items in the Income Statement.

Recognition and Initial Measurement

Purchases and sales of investments are accounted for on a trade date basis. Expenses incidental to purchase and sale are written off to capital at the time of acquisition or disposal. All investments are designated as valued at fair value through profit or loss upon initial recognition and are measured at subsequent reporting dates at fair value.

Measurement and Valuation

Listed Investments – The fair value of listed security investments is bid value or, in the case of holdings on certain recognised overseas exchanges, at last traded prices.

Unlisted Investments – Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment valuation policy applies techniques consistent with the IPEV Guidelines.

The techniques applied are predominantly market-based approaches. The market-based approaches available under IPEV Guidelines are set out below and are followed by an explanation of how they are applied to the Company's unlisted portfolio:

- Multiples;
- Industry Valuation Benchmarks; and
- Available Market Prices.

The nature of the unlisted portfolio currently will influence the valuation technique applied. The valuation approach recognises that, as stated in the IPEV Guidelines, the price of a recent investment, if resulting from an orderly transaction, generally represents fair value as at the transaction date and may be an appropriate starting point for estimating fair value at subsequent measurement dates. However, consideration is given to the facts and circumstances as at the subsequent measurement date, including changes in the market or performance of the investee company. Milestone analysis is used where appropriate to incorporate the operational progress of the investee company into the valuation. Additionally, the background to the transaction must be considered. As a result, various Multiples-based techniques are employed to assess the valuations particularly in those companies with established revenues. Discounted cashflows are used where appropriate. An absence of relevant industry peers may preclude the application of the Industry Valuation Benchmarks technique and an absence of observable prices may preclude the Available Market Prices approach. All valuations are cross-checked for reasonableness by employing relevant alternative techniques.

The unlisted investments are valued according to a three monthly cycle of measurement dates from the date of purchase. The fair value of the unlisted investments will also be reviewed before the next scheduled three monthly measurement date on the following occasions:

- at the year end and half year end of the Company; and
- where there is an indication of a change in fair value as defined in the IPEV guidelines (commonly referred to as 'trigger' events).

Gains and Losses

Gains and losses on investments, including those arising from foreign currency exchange differences, are recognised in the Income Statement as capital items. The Managers monitor the investment portfolio on a fair value basis and uses the fair value basis for investments in making investment decisions and monitoring financial performance.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits repayable on demand. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if they have a maturity or period of notice of not more than one working day.

(g) Income

- (i) Income from equity investments is brought into account on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive payment is established.
- (ii) If scrip dividends are taken in lieu of dividends in cash, the net amount of the cash dividend declared is credited to the revenue column of the Income Statement. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in the capital column of the Income Statement.
- (iii) Special dividends are treated as capital or revenue depending on the facts of each particular case.
- (iv) Unfranked investment income and overseas dividends include the taxes deducted at source.
- (v) Underwriting commission and interest receivable on deposits is recognised on an accruals basis.

(h) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the revenue column of the Income Statement except:

- (i) where they relate directly to the acquisition or disposal of an investment (transaction costs), in which case they are charged to the capital within gains/losses on investments; and
- (ii) they relate directly to the buy-back/issuance of shares, in which case they are added to the buy-back cost or deducted from the share issuance proceeds.

The investment management fee is allocated 25% to revenue and 75% to capital, in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively.

(i) Borrowings and Finance Costs

Any borrowings are carried in the Balance Sheet at amortised cost, representing the cumulative amount of net proceeds after issue, plus accrued finance costs. The finance costs of borrowings are allocated 25% to the revenue account and 75% to the capital reserve. Gains and losses on the repurchase or early settlement of debt are wholly charged to capital.

(j) Deferred Taxation

Deferred taxation is provided on all timing differences which have originated but not reversed by the Balance Sheet date, calculated at the current tax rates expected to apply when its timing differences reverse, based on what has been enacted or substantially enacted, relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(k) Foreign Currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement and classified as a revenue or capital item as appropriate.

(l) Capital Reserve

Gains and losses on disposal of investments, changes in the fair value of investments held, exchange differences of a capital nature and the amount by which other assets and liabilities valued at fair value differ from their book cost are dealt with in this reserve. Purchases of the Company's own shares can also be funded from this reserve. 75% of management fees and finance costs are allocated to the capital reserve in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively.

(m) Single Segment Reporting

The Company has only one material segment being that of an investment trust company, investing primarily in listed companies throughout the world.

2 Income

	2020 £'000	2019 £'000
Income from investments		
UK dividends	154	433
Overseas dividends	538	574
Overseas interest	21	5
	713	1,012
Other income		
Deposit interest	60	217
Total income	773	1,229
Total income comprises:		
Dividends from financial assets designated at fair value through profit or loss	692	1,007
Interest from financial assets designated at fair value through profit or loss	21	5
Interest from financial assets not at fair value through profit or loss	60	217
	773	1,229

3 Investment Management Fee

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Investment management fee	1,145	3,434	4,579	820	2,461	3,281

Details of the Investment Management Agreement are disclosed on page 25. With effect from 1 January 2019 the annual management fee is 0.75% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Prior to 1 January 2019 the fee was 0.95% on the first £50 million of net assets, 0.65% on the next £200 million of net assets and 0.55% on the remaining net assets. Management fees are calculated and payable quarterly.

4 Other Administrative Expenses – all charged to the revenue column of the income statement

	2020 £'000	2019 £'000
Directors' fees (see Directors' Remuneration Report on page 35)	172	131
Auditor's remuneration for audit services (exclusive of VAT)	35	25
General administrative expenses	508	515
	715	671

There were no non-audit fees in the year to 31 October 2020 or 31 October 2019. Ernst & Young LLP provide an iXBRL tagging service to the Company. The engagement is with Baillie Gifford & Co and the Company is not recharged for this service. The fee charged for this service was £1,500 (2019 – £1,500) and was performed on the accounts for the year to 31 October 2019. Ernst & Young LLP have resigned from these services following the changes to the Ethical Standard with effect from 15 March 2020.

5 Finance Costs of Borrowings

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Financial liabilities not at fair value through profit or loss						
Interest on bank loans	331	991	1,322	368	1,105	1,473

6 Tax

	2020 £'000	2019 £'000
Analysis of charge in the year		
Overseas withholding tax	61	54
Factors affecting tax charge for year		
The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2019 – lower, 19.0%). The differences are explained below:		
Net return before taxation	322,033	33,403
Net return before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2019 – 19.0%)	61,186	6,346
Capital returns not taxable	(62,297)	(7,144)
Income not taxable (UK dividends)	(29)	(82)
Income not taxable (overseas dividends)	(102)	(109)
Current year management expenses and non-trade loan relationship deficit not utilised	1,242	989
Overseas withholding tax incurred	61	54
Tax charge for the year	61	54

As an investment trust, the Company's capital gains are not taxable.

Factors that may affect future tax charges

At 31 October 2020 the Company had a potential deferred tax asset of £10,016,000 (2019 – £7,851,000) in respect of taxable losses which are available to be carried forward and offset against future taxable profits. A deferred tax asset has not been provided on these losses as it is considered unlikely that the Company will make taxable revenue profits in the future and it is not liable to tax on its capital gains. The potential deferred tax asset has been calculated using a corporation tax rate of 19% (2019 – 17%).

7 Net Return per Ordinary Share

	2020 Revenue	2020 Capital	2020 Total	2019 Revenue	2019 Capital	2019 Total
Net return after taxation	(0.46p)	100.89p	100.43p	(0.23p)	11.57p	11.34p

Revenue return per ordinary share is based on the net revenue loss after taxation of £1,479,000 (2019 – net revenue loss of £684,000) and on 320,606,304 (2019 – 294,171,777) ordinary shares, being the weighted average number of ordinary shares during the year.

Capital return per ordinary share is based on the net capital gain for the financial year of £323,451,000 (2019 – net capital gain of £34,033,000) and on 320,606,304 (2019 – 294,171,777) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

There are no dilutive or potentially dilutive shares in issue.

8 Fixed Assets – Investments

As at 31 October 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	941,393	–	–	941,393
Unlisted ordinary shares	–	–	23,213	23,213
Unlisted preference shares*	–	–	37,319	37,319
Unlisted convertible promissory note	–	–	269	269
Total financial asset investments	941,393	–	60,801	1,002,194

As at 31 October 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Listed equities	540,684	–	–	540,684
Unlisted ordinary shares	–	–	11,515	11,515
Unlisted preference shares*	–	–	20,394	20,394
Unlisted convertible promissory note	–	–	266	266
Total financial asset investments	540,684	–	32,175	572,859

*The investments in preference shares are not classified as equity holdings as they include liquidation preference rights that determine the repayment (or multiple thereof) of the original investment in the event of a liquidation event such as a take-over.

There have been no transfers between levels of fair value hierarchy during the year.

Investments in securities are financial assets designated at fair value through profit or loss. In accordance with Financial Reporting Standard 102, the tables above provide an analysis of these investments based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure their fair value.

Fair Value Hierarchy

The fair value hierarchy used to analyse the fair values of financial assets is described below. The levels are determined by the lowest (that is the least reliable or least independently observable) level of input that is significant to the fair value measurement for the individual investment in its entirety as follows:

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

The valuation techniques used by the Company are explained in the accounting policies on page 49. A sensitivity analysis by valuation technique of the unlisted securities is given on pages 60 to 62.

8 Fixed Assets – Investments (continued)

	Listed securities £'000	Unlisted securities* £'000	Total securities £'000
Cost of investments at 1 November 2019	362,782	29,723	392,505
Investment holding gains at 1 November 2019	177,902	2,452	180,354
Value of investments at 1 November 2019	540,684	32,175	572,859
Movements in year:			
Purchases at cost	138,539	27,477	166,016
Sales proceeds received	(65,917)	–	(65,917)
Gains and losses on investments	329,503	(267)	329,236
Changes in categorisation†	(1,416)	1,416	–
Value of investments at 31 October 2020	941,393	60,801	1,002,194
Cost of investments at 31 October 2020	467,361	58,616	525,977
Investment holding gains at 31 October 2020	474,032	2,185	476,217
Value of investments at 31 October 2020	941,393	60,801	1,002,194

* Includes holdings in ordinary shares, preference shares and convertible promissory note.

† Transfer of book cost of Ensogo, valued at nil at both 31 October 2020 and 31 October 2019, on moving from being suspended to delisted.

The disclosure of gains on investments has been amended to comply with the requirements of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in October 2019).

The purchases and sales proceeds figures above include transaction costs of £49,000 (2019 – £18,000) and £21,000 (2019 – £13,000) respectively.

	2020 £'000	2019 £'000
Net gains on investments designated at fair value through profit or loss on initial recognition		
Gains on sales	33,373	1,034
Changes in investment holding gains	295,863	36,383
	329,236	37,417

In respect of sales made during the year a net gain of £9,626,000 (2019 – net loss of £3,054,000) was included in investment holding gains and losses at the previous year end.

Significant Holdings

Details of significant holdings are noted below in accordance with the disclosure requirements paragraph 82 of the AIC Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (updated in October 2019), in relation to unlisted investments included in the Twenty Largest Holdings as disclosed on page 17.

As at 31 October 2020									
Name	Business	Latest Financial Statements	Proportion of capital owned %	Book Cost £'000	Market Value £'000	Income recognised from holding in the period	Turnover US\$'000	Pre tax profit/(loss) US\$'000	Net Assets attributable to shareholders US\$'000
Space Exploration Technologies	Designs, manufactures and launches advanced rockets and spacecraft	n/a	0.1	18,047	20,546	Nil	Information not publicly available		

9 Debtors

	2020 £'000	2019 £'000
Due within one year:		
Income accrued (net of withholding taxes)	27	40
Other debtors and prepaid expenses	133	115
	160	155

None of the above debtors are financial assets designated at fair value through profit or loss. The carrying amount of debtors is a reasonable approximation of fair value. There are no debtors that were past due or impaired at 31 October 2020 or 31 October 2019.

10 Creditors – amounts falling due within one year

	2020 £'000	2019 £'000
National Australia Bank Limited £25 million revolving credit facility	24,799	24,298
National Australia Bank Limited £36 million revolving credit facility	23,929	24,298
Purchases for subsequent settlement	1,173	–
Investment management fee	1,439	813
Other creditors and accruals	174	229
	51,514	49,638

Borrowing facilities at 31 October 2020 and 31 October 2019

A five year £25 million revolving credit facility with National Australia Bank Limited with an expiry date of 29 June 2023.

A five year £36 million revolving credit facility with National Australia Bank Limited with an expiry date of 30 September 2024.

At 31 October 2020 drawings were as follows:

£25 million facility with National Australia Bank	€1,410,900 at an interest rate of 1.22000% per annum
	US\$18,545,250 at an interest rate of 1.63038% per annum
	£9,185,037 at an interest rate of 1.43088% per annum
£36 million facility with National Australia Bank	€1,410,900 at an interest rate of 1.55000% per annum
	US\$18,545,250 at an interest rate of 2.02038% per annum
	£8,314,963 at an interest rate of 1.86088% per annum

Rollover/maturity date: 31 December 2020.

At 31 October 2019 drawings were as follows:

£25 million facility with National Australia Bank	€1,410,900 at an interest rate of 1.22000% per annum
	US\$18,545,250 at an interest rate of 3.49513% per annum
	£8,750,000 at an interest rate of 2.12800% per annum
£36 million facility with National Australia Bank	€1,410,900 at an interest rate of 1.55000% per annum
	US\$18,545,250 at an interest rate of 3.88513% per annum
	£7,500,000 at an interest rate of 2.55800% per annum
	£1,250,000 at an interest rate of 2.56401% per annum

Rollover/maturity date: 30 December 2019.

The main covenants relating to both loan facilities with National Australia Bank Limited are: total borrowings shall not exceed 35% of the Company's adjusted gross assets and the minimum adjusted gross assets shall be £260 million. There were no breaches in the loan covenants during the year to 31 October 2020 (2019 – none).

11 Share Capital

	2020 Number	2020 £'000	2019 Number	2019 £'000
Allotted, called up and fully paid ordinary shares of 1p each	354,318,695	3,543	302,598,695	3,026

At the Annual General Meeting held on 23 January 2019 shareholders approved an ordinary resolution that each of the ordinary shares of 5p each in the capital of the Company be subdivided into five ordinary shares of 1p each (the 'New Ordinary Shares'). The New Ordinary Shares were admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities at 8.00am on 28 January 2019). Accordingly, the 57,389,739 ordinary shares of 5p in issue as at 23 January 2019 were sub-divided into 286,948,695 ordinary shares of 1p.

The Company has authority to allot shares under section 551 of the Companies Act 2006. The Board has authorised use of this authority to issue new shares at a premium to net asset value in order to enhance the net asset value per share for existing shareholders and improve the liquidity of the Company's shares. In the year to 31 October 2020 the Company issued a total of 51,720,000 shares on a non-pre-emptive basis (nominal value of £517,000, representing 17.1% of the issued share capital at 31 October 2019) at a premium to net asset value (on the basis of debt valued at book value) raising net proceeds of £133,044,000 (In the year to 31 October 2019 – 16,525,000 shares with a nominal value of £165,000, representing 5.8% of the issued share capital at 31 October 2018 raising net proceeds of £30,895,000).

The Company also has authority to buy back shares. In the year to 31 October 2020 no ordinary shares were bought back therefore the Company's authority remains unchanged at 45,359,544 ordinary shares.

12 Capital and Reserves

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Shareholders' funds £'000
At 1 November 2019	3,026	183,754	35,220	314,930	(212)	536,718
Net gains on sales of investments	–	–	–	33,373	–	33,373
Changes in investment holding gains	–	–	–	295,863	–	295,863
Exchange differences on bank loans	–	–	–	(132)	–	(132)
Other exchange differences	–	–	–	(1,228)	–	(1,228)
Ordinary shares issued	517	132,527	–	–	–	133,044
Investment management fee charged to capital	–	–	–	(3,434)	–	(3,434)
Finance cost of borrowings charged to capital	–	–	–	(991)	–	(991)
Revenue return after taxation	–	–	–	–	(1,479)	(1,479)
At 31 October 2020	3,543	316,281	35,220	638,381	(1,691)	991,734

The capital reserve includes investment holding gains on fixed asset investments of £476,217,000 (2019 – gains of £180,354,000) as disclosed in note 8.

The special reserve may be utilised to finance any purchase of the Company's ordinary shares.

The revenue reserve is distributable by way of dividend.

13 Net Asset Value per Ordinary Share

The net asset value per ordinary share and the net asset value attributable to the ordinary shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	2020	2019	2020 £'000	2019 £'000
Ordinary shares	279.90p	177.37p	991,734	536,718

Net asset value per ordinary share is based on the net assets as shown above and 354,318,695 (2019 – 302,598,695) ordinary shares, being the number of ordinary shares in issue at each year end.

At 31 October 2020 and 31 October 2019 all borrowings are in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value at book value and fair value.

14 Analysis of Change in Net Debt

	At 31 October 2019 £'000	Cash flows £'000	Exchange movement £'000	At 31 October 2020 £'000
Cash and cash equivalents	13,342	28,780	(1,228)	40,894
Loans due within one year	(48,596)	–	(132)	(48,728)
	(35,254)	28,780	(1,360)	(7,834)

15 Transactions with Related Parties and the Managers and Secretaries

The Directors' fees for the year are detailed in the Directors' Remuneration Report on page 35.

No Director has a contract of service with the Company. During the year no Director was interested in any contract or other matter requiring disclosure under section 412 of the Companies Act 2006.

Details of the management contract are set out in the Directors' Report on page 25. The management fee payable to the Managers by the Company for the year, as disclosed in note 3, was £4,579,000 (2019 – £3,281,000) of which £1,439,000 (2019 – £813,000) was outstanding at the year end, as disclosed in note 10.

16 Financial Instruments

As an Investment Trust, the Company invests in listed and unlisted securities and makes other investments so as to meet its investment objective of achieving long term capital growth. The Company borrows money when the Board and Managers have sufficient conviction that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing. In pursuing its investment objective, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Board monitors closely the Company's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short term volatility. Risk provides the potential for both losses and gains and in assessing risk the Board encourages the Managers to exploit the opportunities that risk affords.

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Board of Directors reviews and agrees policies for managing these risks and the Company's Investment Managers both assess the exposure to market risk when making individual investment decisions and monitor the overall level of market risk across the investment portfolio on an ongoing basis.

Details of the Company's investment portfolio are shown in note 8 and on pages 53 and 54.

(i) Currency Risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling (the Company's functional currency and that in which it reports its results). Consequently, movements in exchange rates may affect the sterling value of those items.

The Managers monitor the Company's exposure to foreign currencies and report to the Board on a regular basis. The Managers assess the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. However, the country in which a company is listed is not necessarily where it earns its profits. The movement in exchange rates on overseas earnings may have a more significant impact upon a company's valuation than a simple translation of the currency in which the company is quoted.

Foreign currency borrowings can limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

16 Financial Instruments (continued)

(i) Currency Risk (continued)

Exposure to currency risk through asset allocation, which is calculated by reference to the currency in which the asset or liability is quoted, is shown below.

At 31 October 2020	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors* £'000	Net exposure £'000
US dollar	722,276	40,222	(28,686)	(1,192)	732,620
Japanese yen	51,201	–	–	–	51,201
Euro	20,801	–	(2,542)	(3)	18,256
Australian dollar	21,179	–	–	–	21,179
Hong Kong dollar	17,622	–	–	–	17,622
Danish krone	12,691	–	–	–	12,691
Swiss franc	12,078	–	–	6	12,084
Singapore dollar	–	–	–	–	–
Total exposure to currency risk	857,848	40,222	(31,228)	(1,189)	865,653
Sterling	144,346	672	(17,500)	(1,437)	126,081
	1,002,194	40,894	(48,728)	(2,626)	991,734

* Includes non-monetary assets of £86,000.

At 31 October 2019	Investments £'000	Cash and deposits £'000	Bank loans £'000	Other debtors and creditors* £'000	Net exposure £'000
US dollar	375,508	13,263	(28,663)	(86)	360,022
Japanese yen	38,118	–	–	15	38,133
Euro	24,556	–	(2,433)	14	22,137
Australian dollar	14,967	–	–	–	14,967
Hong Kong dollar	7,407	–	–	–	7,407
Danish krone	8,275	–	–	–	8,275
Swiss franc	13,852	–	–	–	13,852
Singapore dollar	136	–	–	–	136
Total exposure to currency risk	482,819	13,263	(31,096)	(57)	464,929
Sterling	90,040	79	(17,500)	(830)	71,789
	572,859	13,342	(48,596)	(887)	536,718

* Includes non-monetary assets of £76,000.

Currency Risk Sensitivity

At 31 October 2020, if sterling had strengthened by 5% in relation to all currencies, with all other variables held constant, total net assets and total return would have decreased by the amounts shown below. A 5% weakening of sterling against all currencies, with all other variables held constant, would have had an equal but opposite effect on the Financial Statement amounts. The level of change is considered to be reasonable based on observations of current market conditions. The analysis is performed on the same basis for 2019.

A change of 5% in foreign currency rates has been considered to be a reasonably plausible change.

	2020 £'000	2019 £'000
US dollar	36,631	18,001
Japanese yen	2,560	1,906
Euro	913	1,107
Australian dollar	1,059	748
Hong Kong dollar	881	370
Danish krone	635	414
Swiss franc	604	693
Singapore dollar	–	7
	43,283	23,246

16 Financial Instruments (continued)

(ii) Interest Rate Risk

Interest rate movements may affect directly:

- the fair value of investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- the fair value of fixed-rate borrowings; and
- the interest payable on any variable rate borrowings.

Interest rate movements may also impact upon the market value of the Company's investments outwith fixed income securities. The effect of interest rate movements upon the earnings of a company may have a significant impact upon the valuation of that company's equity.

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

The Board reviews on a regular basis the amount of investments in cash and fixed income securities and the income receivable on cash deposits, floating rate notes and other similar investments.

The Company finances part of its activities through borrowings at approved levels. The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board. Movements in interest rates, to the extent that they affect the market value of the Company's fixed rate borrowings, may also affect the amount by which the Company's share price is at a discount or a premium to the net asset value (assuming that the Company's share price is unaffected by movements in interest rates).

The interest rate risk profile of the Company's financial assets and liabilities at 31 October is shown below:

Financial Assets

	2020 Fair value £'000	2020 Weighted average interest rate	2020 Weighted average period until maturity *	2019 Fair value £'000	2019 Weighted average interest rate	2019 Weighted average period until maturity *
Cash and short term deposits:						
US dollars	40,222	–	n/a	13,263	1.60%	n/a
Sterling	672	–	n/a	79	–	n/a

*Based on expected maturity date.

The cash deposits generally comprise overnight call or short term money market deposits of less than one month which are repayable on demand. The benchmark rate which determines the interest payments received on cash balances is the bank base rate.

Financial Liabilities

The interest risk profile of the Company's financial liabilities and the maturity profile of the undiscounted future cash flows in respect of the Company's contractual financial liabilities at 31 October are shown below:

Interest Rate Risk Profile

	2020 £'000	2019 £'000
The interest rate risk profile of the Company's financial liabilities at 31 October was:		
Floating rate – Sterling denominated	17,500	17,500
– US\$ denominated	28,686	28,663
– Euro denominated	2,542	2,433
	48,728	48,596

Maturity Profile

	2020 £'000	2019 £'000
The maturity profile of the Company's financial liabilities at 31 October was:		
In less than three months		
– repayment of loans	48,728	48,596
– accumulated interest	153	258
	48,881	48,854

16 Financial Instruments (continued)

(ii) Interest Rate Risk (continued)

Interest Rate Risk Sensitivity

An increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Company's total net assets and total return for the year ended 31 October 2020 by £1,619,000 (2019 – decreased by £695,000). This is due to the Company's exposure to interest rates on its revolving floating rate bank loans and cash balances. A decrease of 100 basis points would have had an equal but opposite effect.

(iii) Other Price Risk

Changes in market prices other than those arising from interest rate risk or currency risk may also affect the value of the Company's net assets. The Board manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Managers. The Company's portfolio of unlisted level 3 investments is not necessarily affected by market performance, however the valuations are affected by the performance of the underlying securities in line with the valuation criteria in note 1(e). The Board meets regularly and at each meeting reviews investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies. The portfolio does not seek to reproduce the comparative index: investments are selected based upon the merit of individual companies and therefore performance may well diverge from the short term fluctuations of the comparative index.

Other Price Risk Sensitivity

A full list of the Company's investments is given on pages 18 to 20. In addition, a geographical analysis of the portfolio and an analysis of the investment portfolio by broad industrial or commercial sector is given on pages 21 and 22.

94.9% (2019 – 100.7%) of the Company's net assets are invested in quoted equities. A 10% increase in quoted equity valuations at 31 October 2020 would have increased total assets and total return by £94,139,000 (2019 – £54,068,000). A decrease of 10% would have had an equal but opposite effect.

6.1% (2019 – 6.0%) of the Company's net assets are invested in unlisted securities. The fair valuation of the unlisted investments is influenced by the estimates, assumptions and judgements made in the fair valuation process (see 1(d) on pages 48 and 49).

The ongoing Covid-19 pandemic has heightened the estimation uncertainty for each of the unquoted investments held as at 31 October 2020. Each portfolio company has been categorised as being subject to potentially higher or lower estimation uncertainty by considering a range of factors including the potential disruption to business activities caused by measures adopted to tackle the spread of Covid-19 and the availability and extent of cash resources. A greater sensitivity factor has been applied to those investments assessed as being susceptible to higher estimation uncertainty. Whilst the sensitivities applied illustrate the impact of varying the key inputs by the levels specified, it is possible that applying reasonable alternative assumptions to individual investments could lead to measurements of fair value which vary to a greater extent than that illustrated.

The % sensitivity applied to each risk category is progressive and based on experience of valuation impacts during the pandemic so far. For the higher risk companies the impact of Covid-19 is much more uncertain and challenging to predict therefore a higher sensitivity of 50% is applied to reflect that, scaling down to 25% and 10% for medium and low risk respectively given their greater insulation to the impacts of Covid-19. When determining whether an investment valuation was felt to be low, medium or high risk with respect to sensitivity to Covid-19, several factors were considered such the impact of Covid-19 on the relevant industry, liquidity concerns for the specific company, and operational impacts on the business. For example, more broadly, a company operating in the travel sector would be deemed to be high risk, however a gaming company with a substantial cash runway would be low. Given the nature of the private companies held within the portfolio, we do not consider any of these to be classed as higher risk. The table below reflects both the potential negative and positive impacts of Covid-19, recognising there are investments in the total value that in our view bear increased valuation uncertainty in relation to positive impacts from Covid-19. The combined value of the holdings felt to be most likely to see positive impact is £22,063,000. An example of one of these holdings would include Akili Therapeutics, a digital medicine provider, who accelerated their product launch in response to the Covid-19 pandemic and recently received FDA clearance for its digital therapy used to treat ADHD in children, leading to an increase in valuation.

To provide further indication of how much of the unlisted portfolio is felt to sit in each risk category, the table below has split out each risk category and applies sensitivities to each. The sensitivities give an indication of the effect of changing one or more of the inputs to these valuations and the impact of increased volatility depending on exposure to the impacts of Covid-19.

16 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

As at 31 October 2020	Fair value of investments £'000	Key variable input* encompassing possible fluctuations due to Covid-19	Variable input sensitivity (%)	Positive impact £'000 †	% of net assets	Negative impact £'000 †	% of net assets
Recent Transaction		Selection of appropriate benchmark					
Medium Risk	5,750	Selection of comparable companies	±25	1,437	0.1	(1,437)	(0.1)
Low Risk	41,876	Probability estimation of liquidation event# Application of valuation basis	±10	4,162	0.4	(3,393)	(0.3)
Adjusted Recent Transaction							
Medium Risk	4,328	Selection of comparable companies Application of illiquidity discount	±25	836	0.1	(551)	(0.1)
Low Risk	8,847	Probability estimation of liquidation event# Application of valuation basis	±10	885	0.1	(862)	(0.1)
Total	60,801			7,320	0.7	(6,243)	(0.6)

Adjusted recent transactions involve reviewing the movements in index performance and comparable company share prices from the last transaction date to the valuation point. Consideration is also given to the probability of different liquidation scenarios. For the investments where an adjusted recent transaction was appropriate, the index performance movement ranged from 15.7% to 26.7% and the comparable share prices ranged from (44.6%) to 29.5%. The probability of all liquidation scenarios were deemed to be equal. These movements and scenarios were considered along with the last transaction price to determine a fair value at the valuation point.

† Impact on net assets and net return after taxation.

A liquidation event is typically a company sale or an initial public offering ('IPO'). In assessing fair value the Company has determined the likely enterprise value attributed to the different investment classes held by the Company.

The unlisted securities sensitivity analysis below which recognises that the valuation methodologies employed involve different levels of subjectivity in their inputs. The sensitivity analysis would apply a wider range of input variable sensitivity to the Multiples methodology as it would involve more significant subjective estimation than the recent Transaction method (the risk of over or under estimation is higher due to the greater subjectivity involved, for example, in selecting the most relevant measure of sustainable revenues and identifying appropriate comparable companies).

Due to the Covid-19 pandemic only emerging during the year ended 31 October 2020 the comparatives for Other Price Risk Sensitivity are presented considering known risks at the prior reporting date and exclude possible fluctuations due to Covid-19.

As at 31 October 2019	Fair value of investments £'000	Key variable input*	Variable input sensitivity (%)	Positive impact £'000 †	% of net assets	Negative impact £'000 †	% of net assets
Recent Transaction/ Adjusted Recent Transaction	28,370	Selection of appropriate benchmark Selection of comparable companies Probability estimation of liquidation event# Application of valuation basis	±10	2,727	0.5	(1,555)	(0.3)
Multiples	3,805	Estimated sustainable earnings Selection of comparable companies Application of illiquidity discount Probability estimation of liquidation event# Application of valuation basis	±20	762	0.1	(761)	(0.1)
Total	32,175			3,489	0.6	(2,316)	(0.4)

† Impact on net assets and net return after taxation.

A liquidation event is typically a company sale or an initial public offering ('IPO'). In assessing fair value the Company has determined the likely enterprise value attributed to the different investment classes held by the Company.

16 Financial Instruments (continued)

(iii) Other Price Risk (continued)

Other Price Risk Sensitivity (continued)

* Key Variable Inputs

The variable inputs applicable to each broad category of valuation basis will vary dependent on the particular circumstances of each unlisted company valuation. An explanation of each of the key variable inputs is provided below and includes an indication of the range in value for each input, where relevant. The assumptions made in the production of the inputs are described in note 1(d) on pages 48 and 49.

Selection of Appropriate Benchmarks

The selection of appropriate benchmarks is assessed individually for each investment. The industry and geography of each company are key inputs to the benchmark selection, with either one or two key indices or benchmarks being used for comparison.

Selection of Comparable Companies

The selection of comparable companies is assessed individually for each investment at the point of investment, and the relevance of the comparable companies is continually evaluated at each valuation. The key criteria used in selecting appropriate comparable companies are the industry sector in which they operate, the geography of the company's operations, the respective revenue and earnings growth rates and the operating margins. Typically, between 4 and 10 comparable companies will be selected for each investment, depending on how many relevant comparable companies are identified. The resultant revenue or earnings multiples derived will vary depending on the companies selected and the industries they operate in and can vary in the range of 1x to 10x.

Probability Estimation of Liquidation Events

The probability of a liquidation event such as a company sale, or alternatively an initial public offering ('IPO'), is a key variable input in the Transaction-based and Multiples-based valuation techniques. The probability of an IPO versus a company sale is typically estimated from the outset to be 50:50 if there has been no indication by the company of pursuing either of these routes. If the company has indicated an intention to IPO, the probability is increased accordingly to 75% and if an IPO has become a certainty the probability is increased to 100%. Likewise, in a scenario where a company is pursuing a trade sale the weightings will be adjusted accordingly in favour of a sale scenario, or in a situation where a company is underperforming expectations significantly and therefore deemed very unlikely to pursue an IPO.

Application of Valuation Basis

Each investment is assessed independently, and the valuation basis applied will vary depending on the circumstances of each investment. When an investment is pre-revenue, the focus of the valuation will be on assessing the recent transaction and the achievement of key milestones since investment. Adjustments may also be made depending on the performance of comparable benchmarks and companies. For those investments where a trading Multiples approach can be taken, the methodology will factor in revenue, earnings or net assets as appropriate for the investment, and where a suitable correlation can be identified with the comparable companies then a regression analysis will be performed. Discounted cash flows will also be considered where appropriate forecasts are available.

Estimated Sustainable Earnings

The selection of sustainable revenue or earnings will depend on whether the company is sustainably profitable or not, and where it is not then sustainable revenues will be used in the valuation. The valuation approach will typically assess companies based on the last twelve months of revenue or earnings, as they are the most recent available and therefore viewed as the most reliable. Where a company has reliably forecasted earnings previously or there is a change in circumstance at the business which will impact earnings going forward, then forward estimated revenue or earnings may be used instead.

Application of Liquidity Discount

The application of a liquidity discount will be applied either through the calibration of a valuation against the most recent transaction, or by application of a specific discount. The discount applied where a calibration is not appropriate is typically 10%, reflecting that the majority of the investments held are substantial companies with some secondary market activity.

Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Board monitors the exposure to any one holding.

The Company has the power to take out borrowings, which gives it access to additional funding when required. The Company's borrowing facilities are detailed in note 10 and the maturity profile of its borrowings are set out on page 59.

16 Financial Instruments (continued)

Credit Risk

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

This risk is managed as follows:

- where the Managers make an investment in a bond or other security with credit risk, that credit risk is assessed and then compared to the prospective investment return of the security in question;
- the Depositary is liable for the loss of financial instruments held in custody. The Depositary will ensure that any delegate segregates the assets of the Company. The Managers monitor the Company's risk by reviewing the Custodian's internal control reports and reporting its findings to the Board;
- investment transactions are carried out with a large number of brokers whose creditworthiness is reviewed by the Managers. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's Custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed;
- the creditworthiness of the counterparty to transactions involving derivatives, and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest, are subject to rigorous assessment by the Managers of the creditworthiness of that counterparty; and
- cash is only held at banks that are regularly reviewed by the Managers.

The Company owns a number of unquoted preference share securities. Some of these may have been classified as debt by the issuer. There are no material amounts past due in relation to these securities. As these instruments (alongside the ordinary share securities) have been recognised at fair value through profit and loss, the fair value takes into account credit, market and other price risk.

Credit Risk Exposure

The exposure to credit risk at 31 October was:

	2020 £'000	2019 £'000
Fixed interest investments	269	266
Cash and short term deposits	40,894	13,342
Debtors and prepayments	160	155
	41,323	13,763

None of the Company's financial assets are past due or impaired (2019 – none).

Fair Value of Financial Assets and Financial Liabilities

The Directors are of the opinion that the financial assets and liabilities of the Company are stated at fair value in the Balance Sheet with the exception of long term borrowings. The fair values of the Company's borrowings are shown below.

	2020 Book £'000	2020 Fair* £'000	2019 Book £'000	2019 Fair* £'000
Floating rate loans	48,728	48,728	48,596	48,596

* All short term floating rate borrowings are stated at book cost which is considered to be equal to their fair value given the facilities are revolving credit facilities.

Capital Management

The capital of the Company is its share capital and reserves as set out in note 12 together with its borrowings (see note 10). The objective of the Company is the achievement of long term capital growth by investing primarily in listed companies throughout the world. The Company's investment policy is set out on page 8. In pursuit of the Company's objective, the Board has a responsibility for ensuring the Company's ability to continue as a going concern and details of the related risks and how they are managed are set out on pages 31 and 32, pages 8 to 10 and page 31, respectively. The Company has the authority to issue and to buy back its shares (see pages 26 and 27) and changes to the share capital during the year are set out in note 11. The Company does not have any externally imposed capital requirements other than the covenants on its loans which are detailed in note 10.

17 Subsequent Events

Up to the date of this report the Company is not aware of any subsequent events.

18 Alternative Investment Fund Managers (AIFM) Directive

In accordance with the Alternative Investment Fund Managers Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Baillie Gifford & Co Limited, is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy is available at www.bailliegifford.com or on request (see contact details on the back cover) and the numerical remuneration disclosures in respect of the AIFM's relevant reporting period are also available at www.bailliegifford.com. The Company's maximum and actual leverage levels (see Glossary of Terms and Alternative Performance Measures on pages 72 and 73) at 31 October 2020 are shown below:

Leverage

	Gross method	Commitment method
Maximum limit	2.50:1	2.00:1
Actual	1.05:1	1.05:1

Notice of Annual General Meeting

Covid-19 coronavirus – Important note regarding arrangements for the Annual General Meeting (AGM)

The Board of Edinburgh Worldwide Investment Trust plc (Edinburgh Worldwide) recognises the public health risk associated with the Covid-19 outbreak arising from public gatherings and notes the continuing Government's measures restricting such gatherings, travel and attendances at workplaces.

At the same time, the Board is conscious of the legal requirement for Edinburgh Worldwide to hold its AGM before the end of April 2021. Given the current uncertainty around when public health concerns will have abated, the Board has for the time being decided to aim to follow the Company's corporate timetable and, accordingly, the Company's AGM is being convened to take place at 12 noon on Wednesday, 20 January 2021 at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN most likely without access for shareholders. The Board will, however, continue to monitor developments and any changes will be advised to shareholders and details will be updated on the Company's website.

In the meantime, the Board encourages all shareholders to submit proxy voting forms as soon as possible and, in any event, by no later than 12.00 noon on 18 January 2021.

We would encourage shareholders to monitor the Company's website at www.edinburghworldwide.co.uk. Should shareholders have questions for the Board or the Managers or any queries as to how to vote, they are welcome as always to submit them by email to trustenquiries@bailliegifford.com or call 0800 917 2112.

Baillie Gifford may record your call.

NOTICE IS HEREBY GIVEN that the twenty third Annual General Meeting of Edinburgh Worldwide Investment Trust plc (the 'Company') will be held at the offices of Baillie Gifford & Co, Calton Square, 1 Greenside Row, Edinburgh EH1 3AN on Wednesday, 20 January 2021 at 12 noon for the purposes of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 12 will be proposed as ordinary resolutions and Resolutions 13 and 14 will be proposed as special resolutions:

1. To receive and adopt the Annual Report and Financial Statements of the Company for the financial year ended 31 October 2020 together with the Reports of the Directors and of the Independent Auditor thereon.
2. To approve the Directors' Annual Report on Remuneration for the financial year ended 31 October 2020.
3. To re-elect Mr HCT Strutt as a Director of the Company.
4. To re-elect Mr DAJ Cameron as a Director of the Company.
5. To re-elect Mr WJ Ducas as a Director of the Company.
6. To re-elect Ms H James as a Director of the Company.
7. To re-elect Mr MIG Wilson as a Director of the Company.
8. To elect Ms CA Roxburgh as a Director of the Company.
9. To elect Mr JA Simpson-Dent as a Director of the Company.
10. To reappoint Ernst & Young LLP as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which the Financial Statements are laid before the Company.
11. To authorise the Directors to determine the remuneration of the Independent Auditor of the Company.
12. That, in addition to any existing authority, the Directors of the Company 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 shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ('Securities') provided that such authority shall be limited to the allotment of shares and grant of rights in respect of shares with an aggregate nominal value of up to £1,201,756.69 (representing approximately 33% of the nominal value of the issued share capital as at 8 December 2020), such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.
13. That, subject to the passing of Resolution 12 above, and in addition to any existing authorities, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560(1) of the Act) for cash pursuant to the authority given by Resolution 12 above and to sell treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
 - (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and
 - (b) shall be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal value of £364,168.69 (representing approximately 10% of the nominal value of the issued share capital of the Company as at 8 December 2020).

14. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, 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 fully paid ordinary shares in the capital of the Company ('Ordinary Shares') (either for retention as treasury shares for future reissue, resale, transfer or for cancellation) provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 54,588,887 or, if less, the number representing approximately 14.99% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution;
 - (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share shall be the nominal value of that share;
 - (c) the maximum price (excluding expenses) which may be paid for any Ordinary Share purchased pursuant to this authority shall not be more than the higher of:
 - (i) 5% above the average closing price on the London Stock Exchange of an Ordinary Share over the five business days immediately preceding the day of purchase; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid as stipulated by Article 5(1) of Commission Regulation (EC) 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy back programmes and stabilisation of financial instruments (No. 2273/2003); and
 - (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract or contracts.

By Order of the Board
Baillie Gifford & Co Limited
Managers and Secretaries
16 December 2020

Notes:

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.
2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or **www.eproxyappointment.com**, not less than two days (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.
3. Only those shareholders having their name entered on the Company's share register not later than 12 noon on 18 January 2021 or, if the meeting is adjourned, at 12 noon two days (excluding non-working days) prior to the date 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. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
5. 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 and by logging on to the website **www.euroclear.com/CREST**. 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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's registrars, Computershare Investor Services PLC (ID 3RA50) by no later than 12 noon on 18 January 2021. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars

- are able to retrieve the message by enquiry to CREST. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear 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. 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.
6. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('Nominated Persons'). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 2 above does not apply to Nominated Persons. The rights described in these notes can be exercised only by members of the Company.
 7. There are special arrangements for holders of shares through the Aberdeen Standard Investments Share Plan, Individual Savings Account and Investment Plan for Children. These are explained in the form of direction which such holders will have received with this report.
 8. As at 8 December 2020 the Company's issued share capital comprised 364,168,695 ordinary shares of 1p each. Therefore, as at 8 December 2020, the total number of voting rights exercisable at the meeting is 364,168,695.
 9. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.
 10. The members of the Company may require the Company to publish, on its website, (without payment) a statement (which is also passed to the Auditor) setting out any matter relating to the audit of the Company's Financial Statements, including the Auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5% of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to the Company at Calton Square, 1 Greenside Row, Edinburgh EH1 3AN.
 11. Information regarding the meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's page of the Managers' website, www.edinburghworldwide.co.uk.
 12. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
 - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 13. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
 14. No Director has a contract of service with the Company.

Further Shareholder Information

Edinburgh Worldwide is an investment trust. Investment trusts offer investors the following:

- participation in a diversified portfolio of shares;
- constant supervision by experienced professional managers; and
- the Company is free from capital gains tax on capital profits realised within its portfolio although investors are still liable for capital gains tax on profits when selling their investment.

How to Invest

The Company's shares are traded on the London Stock Exchange. They can be bought by placing an order with a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Edinburgh Worldwide, you can do so online. There are a number of companies offering real time online dealing services.

Sources of Further Information on the Company

The ordinary shares of the Company are listed on the London Stock Exchange and their price is shown in the Financial Times and The Scotsman under 'Equity Investment Instruments'. The price of shares can also be found on the Company's page on Baillie Gifford's website at www.edinburghworldwide.co.uk, Trustnet at www.trustnet.co.uk and on other financial websites. Company factsheets are also available on the Baillie Gifford website and are updated monthly. These are available from Baillie Gifford on request.

Edinburgh Worldwide Share Identifiers

ISIN GB00BHSRZC82

Sedol BHSRZC8

Ticker EWL

Legal Entity Identifier 213800JUA8RKIDDLH380

AIC

The Company is a member of the Association of Investment Companies.

Key Dates

The Company pays the minimum permissible level of final dividend and no interim dividend. If a dividend was payable this would be due in February.

The Annual General Meeting is normally held in late January or early February.

Share Register Enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 707 1643.

This helpline also offers an automated self-service functionality (available 24 hours a day, 7 days a week) which allows you to:

- hear the latest share price;
- confirm your current share holding balance;
- confirm your payment history; and
- order Change of Address, Dividend Bank Mandate and Stock Transfer forms.

By quoting the reference number on your share certificate you can check your holding on the Registrar's website at www.investorcentre.co.uk.

They also offer a free, secure, share management website service which allows you to:

- view your share portfolio and see the latest market price of your shares;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- register to receive communications from the Company, including the Annual Report and Financial Statements, in electronic format;
- update bank mandates and change address details; and
- use online dealing services.

To take advantage of this service, please log in at www.investorcentre.co.uk and enter your Shareholder Reference Number and Company Code (this information can be found on the last dividend voucher or your share certificate).

Electronic Proxy Voting

If you hold stock in your own name you can choose to vote by returning proxies electronically at www.eproxyappointment.com.

If you have any questions about this service please contact Computershare on 0370 707 1643.

CREST Proxy Voting

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. For further information please refer to the CREST Manual.

Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as information only.

Analysis of Shareholders at 31 October

	2020		2019	
	Number of shares held	2020 %	Number of shares held	2019 %
Institutions	40,013,229	11.3	30,009,021	9.9
Intermediaries	294,984,880	83.3	252,175,113	83.4
Individuals	18,851,062	5.3	19,431,922	6.4
Marketmakers	469,524	0.1	982,639	0.3
	354,318,695	100.0	302,598,695	100.0

Data Protection

The Company is committed to ensuring the confidentiality and security of any personal data provided to it. Further details on how personal data is held and processed on behalf of the Company can be found in the privacy policy available on the Company's website www.edinburghworldwide.co.uk.

Risks

Past performance is not a guide to future performance.

Edinburgh Worldwide is a UK listed company. The value of the shares, and any income from them, can fall as well as rise and investors may not get back the amount invested.

Edinburgh Worldwide invests in overseas securities. Changes in the rates of exchange may also cause the value of your investment (and any income it may pay) to go down or up.

Edinburgh Worldwide has borrowed money to make further investments (sometimes known as 'gearing' or 'leverage'). The risk is that when this money is repaid by the Company, the value of the investments may not be enough to cover the borrowing and interest costs, and the Company will make a loss. If the Company's investments fall in value, any invested borrowings will increase the amount of this loss.

Edinburgh Worldwide can buy back its own shares. The risks from borrowing, referred to above, are increased when the Company buys back its own shares.

Market values for securities which have become difficult to trade may not be readily available and there can be no assurance that any value assigned to such securities will accurately reflect the price the Company might receive upon their sale.

Edinburgh Worldwide can make use of derivatives which may impact on its performance.

Edinburgh Worldwide has investments in smaller, immature companies which are generally considered higher risk as changes in their share prices may be greater and the shares may be harder to sell. Smaller, immature companies may do less well in periods of unfavourable economic conditions.

Edinburgh Worldwide's risk could be increased by its investment in unlisted investments. These assets may be more difficult to buy or sell so changes in their prices may be greater.

Edinburgh Worldwide charges 75% of the investment management fee and 75% of borrowing costs to capital which reduces the capital value. Also, where income is low, the remaining expenses may be greater than the total income received, meaning the Company may not pay a dividend and the capital value would be further reduced.

The aim of Edinburgh Worldwide is to achieve capital growth. You should not expect a significant, or steady, annual income from the Company.

You should note that tax rates and reliefs may change at any time and their value depends on your circumstances.

Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at www.edinburghworldwide.co.uk, or by calling Baillie Gifford on 0800 917 2112. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

Edinburgh Worldwide is a UK public listed company and as such complies with the requirements of the Financial Conduct Authority but it is not authorised or regulated by the Financial Conduct Authority.

The Financial Statements have been approved by the Directors of Edinburgh Worldwide. The information and opinions expressed within the Annual Report and Financial Statements are subject to change without notice.

The staff of Baillie Gifford and Edinburgh Worldwide's Directors may hold shares in Edinburgh Worldwide and may buy or sell such shares from time to time.

Communicating with Shareholders



Trust Magazine

Trust Magazine

Trust is the Baillie Gifford investment trust magazine which is published twice a year. It provides an insight to our investment approach by including interviews with our fund managers, as well as containing investment trust news, investment features and articles about the trusts managed by Baillie Gifford, including Edinburgh Worldwide. Trust plays an important role in helping to explain our products so that readers can really understand them.

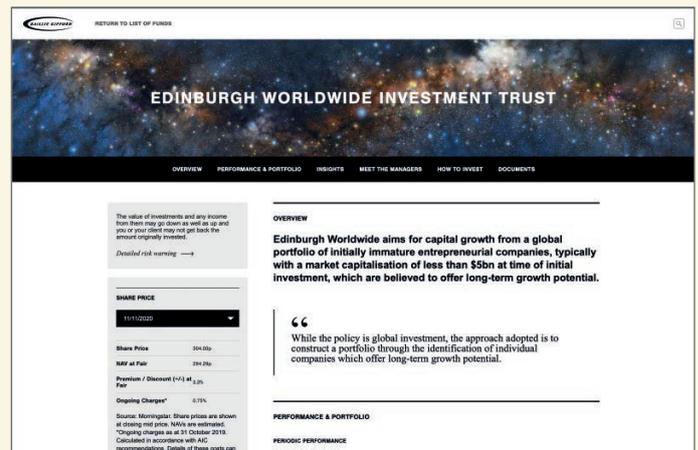
You can subscribe to Trust magazine or view a digital copy at www.bailliegifford.com/trust.

Edinburgh Worldwide on the Web

Up-to-date information about Edinburgh Worldwide can be found on the Company's page of the Managers' website at www.edinburghworldwide.co.uk. You will find full details on Edinburgh Worldwide, including recent portfolio information and performance figures.

Suggestions and Questions

Any suggestions on how communications with shareholders can be improved are welcomed. Please contact the Baillie Gifford Client Relations Team and give them your suggestions. They will also be very happy to answer questions that you may have about Edinburgh Worldwide.



An Edinburgh Worldwide web page at www.edinburghworldwide.co.uk

Client Relations Team Contact Details

You can contact the Baillie Gifford Client Relations Team by telephone, email or post:

Telephone: 0800 917 2112

Your call may be recorded for training or monitoring purposes.

Email: trustenquiries@bailliegifford.com

Website: www.bailliegifford.com

Address:

Baillie Gifford Client Relations Team
Calton Square
1 Greenside Row
Edinburgh EH1 3AN

Please note that Baillie Gifford is not permitted to give financial advice. If you would like advice please ask an authorised intermediary.

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, Edinburgh Worldwide Investment Trust plc is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. Accordingly, Edinburgh Worldwide Investment Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

Shareholders, excluding those whose shares are held in CREST, who come on to the share register will be sent a certification form for the purposes of collecting this information.

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders <https://www.gov.uk/government/publications/exchange-of-information-account-holders>.

Third Party Data Provider Disclaimer

No third party data provider ('Provider') makes any warranty, express or implied, as to the accuracy, completeness or timeliness of the data contained herewith nor as to the results to be obtained by recipients of the data. No Provider shall in any way be liable to any recipient of the data for any inaccuracies, errors or omissions in the index data included in this document, regardless of cause, or for any damages (whether direct or indirect) resulting therefrom.

No Provider has any obligation to update, modify or amend the data or to otherwise notify a recipient thereof in the event that any matter stated herein changes or subsequently becomes inaccurate.

Without limiting the foregoing, no Provider shall have any liability whatsoever to you, whether in contract (including under an indemnity), in tort (including negligence), under a warranty, under statute or otherwise, in respect of any loss or damage suffered by you as a result of or in connection with any opinions, recommendations, forecasts, judgements, or any other conclusions, or any course of action determined, by you or any third party, whether or not based on the content, information or materials contained herein.

S&P Index Data

The S&P Global Small Cap Index ('Index') is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ('SPDJI'). Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ('S&P'); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ('Dow Jones'). Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

MSCI Index Data

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FTSE Index Data

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Glossary of Terms and Alternative Performance Measures ('APM')

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

Total Assets

The total value of all assets held less all liabilities other than liabilities in the form of borrowings.

Net Asset Value ('NAV')

Also described as shareholders' funds, net asset value is the value of total assets less liabilities (including borrowings). Net asset value can be calculated on the basis of borrowings stated at book value and fair value. An explanation of each basis is provided below. The net asset value per share is calculated by dividing this amount by the number of ordinary shares in issue excluding any shares held in treasury.

Net Asset Value (Borrowings at Book Value)

Borrowings are valued at their nominal book value. The value of the borrowings at book and fair value are set out on page 63.

Net Asset Value (Borrowings at Fair Value) (APM)

Borrowings are valued at an estimate of their market worth. The value of the borrowings at book and fair value are set out on page 63.

Net Asset Value (Reconciliation of NAV at Book Value to NAV at Fair Value)

	31 October 2020	31 October 2019
Net Asset Value per ordinary share (borrowings at book value)	279.90p	177.37p
Shareholders' funds (borrowings at book value)	£991,734,000	£536,718,000
Add: book value of borrowings	£48,728,000	£48,596,000
Less: fair value of borrowings	(£48,728,000)	(£48,596,000)
Shareholders' funds (borrowings at fair value)	£991,734,000	£536,718,000
Number of shares in issue	354,318,695	302,598,695
Net Asset Value per ordinary share (borrowings at fair value)	279.90p	177.37p

At 31 October 2020 and 31 October 2019 all borrowings are in the form of short term floating rate borrowings and their fair value is considered equal to their book value, hence there is no difference in the net asset value at book value and fair value.

Net Liquid Assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Discount/Premium (APM)

As stock markets and share prices vary, an investment trust's share price is rarely the same as its net asset value. When the share price is lower than the net asset value per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, this situation is called a premium.

		31 October 2020	31 October 2019
Net asset value per share	(a)	279.90p	177.37p
Share price	(b)	287.50p	175.40p
Premium/(discount)	((b) - (a)) ÷ (a)	2.7%	(1.1%)

Total Return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

Compound Annual Return (APM)

The compound annual return converts the return over a period of longer than one year to a constant annual rate of return applied to the compound value at the start of each year.

Ongoing Charges (APM)

The total recurring expenses (excluding the Company's cost of dealing in investments and borrowing costs) incurred by the Company as a percentage of the average net asset value (with debt at fair value). The ongoing charges have been calculated on the basis prescribed by the Association of Investment Companies.

Ongoing Charges Calculation

	31 October 2020	31 October 2019
Investment management fee	£4,579,000	£3,281,000
Other administrative expenses	£715,000	£671,000
Total expenses (a)	£5,294,000	£3,952,000
Average daily cum-income net asset value (with debt at fair value) (b)	£736,409,000	£525,391,000
Ongoing charges (a) as a percentage of (b)	0.72%	0.75%

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Gearing is the Company's borrowings at book value less cash and cash equivalents (including any outstanding trade settlements) expressed as a percentage of shareholders' funds.

	31 October 2020	31 October 2019
Borrowings (at book value)	£48,728,000	£48,596,000
Less: cash and cash equivalents	(£40,894,000)	(£13,342,000)
Less: sales for subsequent settlement	–	–
Add: purchases for subsequent settlement	£1,173,000	–
Adjusted borrowings (a)	£9,007,000	£35,254,000
Shareholders' funds (b)	£991,734,000	£536,718,000
Gearing: (a) as a percentage of (b)	1%	7%

Potential gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

	31 October 2020	31 October 2019
Borrowings (at book value) (a)	£48,728,000	£48,596,000
Shareholders' funds (b)	£991,734,000	£536,718,000
Potential gearing (a) as a percentage of (b)	5%	9%

Leverage (APM)

For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Active Share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Share Split

A share split (or stock split) is the process by which a company divides its existing shares into multiple shares. Although the number of shares outstanding increases, the total value of the shares remains the same with respect to the pre-split value.

Unlisted Company

An unlisted company means a company whose shares are not available to the general public for trading and not listed on a stock exchange.



Directors

Chairman:
HCT Strutt

DAJ Cameron
WJ Ducas
H James
CA Roxburgh
JA Simpson-Dent
MIG Wilson

Alternative Investment Fund Manager, Secretaries and Registered Office

Baillie Gifford & Co Limited
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN
Tel: 0131 275 2000
www.bailliegifford.com

Registrar

Computershare
Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 707 1643

Depositary

The Bank of New York Mellon
(International) Limited
1 Canada Square
London
E14 5AL

Company Broker

Numis Securities Limited
The London Stock
Exchange Building
10 Paternoster Square
London
EC4M 7LT

Independent Auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Company Details

www.edinburghworldwide.co.uk
Company Registration
No. SC184775
ISIN GB00BHSRZC82
Sedol BHSRZC8
Ticker EWI

Legal Entity Identifier:
213800JUA8RKIDDLH380

Further Information

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