

Scottish Mortgage Investment Trust PLC

(Registered in Scotland Company Number SC007058)

Unaudited Interim Accounts

For the period from 1 April 2023 to 30 September 2023

(Section 838 Companies Act 2006)



Income statement (unaudited)**For the six months ended 30 September**

	Notes	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Losses on investments		–	(339,923)	(339,923)	–	(2,368,395)	(2,368,395)
Currency losses		–	(10,526)	(10,526)	–	(176,320)	(176,320)
Income		26,311	–	26,311	25,904	–	25,904
Investment management fee		–	(17,224)	(17,224)	–	(18,557)	(18,557)
Other administrative expenses		(2,351)	–	(2,351)	(3,135)	–	(3,135)
Net return before finance costs and taxation		23,960	(367,673)	(343,713)	22,769	(2,563,272)	(2,540,503)
Finance costs of borrowings		–	(27,423)	(27,423)	–	(32,405)	(32,405)
Net return before taxation		23,960	(395,096)	(371,136)	22,769	(2,595,677)	(2,572,908)
Tax		(1,238)	(4,966)	(6,204)	(2,050)	(471)	(2,521)
Net return after taxation		22,722	(400,062)	(377,340)	20,719	(2,596,148)	(2,575,429)
Net return per ordinary share	4	1.62p	(28.44p)	(26.82p)	1.44p	(180.36p)	(178.92p)
Dividends proposed per ordinary share	5	1.60p			1.60p		

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital return 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 all gains and losses of the Company have been reflected in the above statement.

Balance sheet (unaudited)

	At 30 September 2023 £'000	At 30 September 2023 £'000	At 31 March 2023 (audited) £'000	At 31 March 2023 (audited) £'000
Fixed assets				
Investments held at fair value through profit or loss		12,762,223		13,149,592
Current assets				
Debtors	10,428		12,037	
Cash and cash equivalents	31,396		184,945	
	41,824		196,982	
Creditors				
Amounts falling due within one year:				
Bank loans	(245,791)		(376,076)	
Other creditors and accruals	(20,305)		(22,055)	
	(266,096)		(398,131)	
Net current liabilities		(224,272)		(201,149)
Total assets less current liabilities		12,537,951		12,948,443
Creditors				
Amounts falling due after more than one year:				
Bank loans	(393,216)		(388,149)	
Loan notes	(1,010,590)		(1,006,857)	
Debenture stocks	(52,003)		(52,212)	
Provision for deferred tax liability	(8,192)		(3,225)	
		(1,464,001)		(1,450,443)
Net assets		11,073,950		11,498,000
Capital and reserves				
Share capital		74,239		74,239
Share premium account		928,400		928,400
Capital redemption reserve		19,094		19,094
Capital reserve		10,023,314		10,434,896
Revenue reserve		28,903		41,371
Shareholders' funds		11,073,950		11,498,000
Net asset value per ordinary share				
(after deducting borrowings at book)		787.7p		816.8p
Ordinary shares in issue		1,405,929,902		1,407,618,528

These accounts were approved by the Board of Directors on 3 November 2023 and signed on its behalf by



Justin Dowley
Chair

Statement of changes in equity (unaudited)

For the six months ended 30 September 2023

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 April 2023	74,239	928,400	19,094	10,434,896	41,371	11,498,000
Net return after taxation	-	-	-	(400,062)	22,722	(377,340)
Ordinary shares bought back into treasury	-	-	-	(11,520)	-	(11,520)
Dividends paid during the period	-	-	-	-	(35,190)	(35,190)
Shareholders' funds at 30 September 2023	74,239	928,400	19,094	10,023,314	28,903	11,073,950

For the six months ended 30 September 2022

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve * £'000	Revenue reserve £'000	Shareholders' funds £'000
Shareholders' funds at 1 April 2022	74,239	928,400	19,094	13,717,685	16,581	14,755,999
Net return after taxation	-	-	-	(2,596,148)	20,719	(2,575,429)
Ordinary shares bought back into treasury	-	-	-	(131,171)	-	(131,171)
Dividends paid during the period	-	-	-	(13,283)	(16,581)	(29,864)
Shareholders' funds at 30 September 2022	74,239	928,400	19,094	10,977,083	20,719	12,019,535

* The capital reserve balance at 30 September 2023 includes investment holding gains on fixed asset investments of £2,933,324,000 (30 September 2022 – gains of £3,838,304,000).

Cash flow statement (unaudited)

For the six months ended 30 September

	2023 £'000	2022 £'000
Cash flows from operating activities		
Net return before taxation	(371,136)	(2,572,908)
Losses on investments	339,923	2,368,395
Currency losses	10,526	176,320
Finance costs of borrowings	27,423	32,405
Overseas withholding tax incurred	(1,238)	(2,286)
Changes in debtors and creditors	(3,547)	2,964
Cash from operations	1,951	4,890
Interest paid	(28,879)	(31,937)
Net cash outflow from operating activities	(26,928)	(27,047)
Acquisitions of investments	(406,046)	(620,418)
Disposals of investments	458,242	923,979
Net cash inflow from investing activities	52,196	303,561
Equity dividends paid	(35,190)	(29,864)
Ordinary shares bought back into treasury and stamp duty thereon	(11,579)	(119,592)
Bank loans repaid	(421,845)	(1,026,906)
Bank loans drawn down	292,250	855,034
Net cash outflow from financing activities	(176,364)	(321,328)
Decrease in cash and cash equivalents	(151,096)	(44,814)
Exchange movements	(2,453)	45,239
Cash and cash equivalents at start of period	184,945	229,962
Cash and cash equivalents at end of period*	31,396	230,387

* Cash and cash equivalents represent cash at bank and short term money market deposits repayable on demand.

Notes to the financial statements (unaudited)

1 Basis of accounting

The condensed Financial Statements for the six months to 30 September 2023 comprise the statements set out above together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in July 2022 with consequential amendments. They have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance on 'Review of Interim Financial Information'. The Financial Statements for the six months to 30 September 2023 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 31 March 2023.

Going concern

In accordance with the Financial Reporting Council's guidance on going concern and liquidity risk, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Directors have considered the nature of the Company's assets, its liabilities, projected income and expenditure together with its investment objective and policy, dividend policy and principal risks and uncertainties, as set out on the inside front cover. The Board has, in particular, considered the impact of heightened market volatility over recent months due to macroeconomic and geopolitical concerns including high interest rates, inflation, the Russia/Ukraine war, heightened tensions between China and both the US and Taiwan and the developing situation in the Middle East. It has reviewed the results of specific leverage and liquidity stress testing but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are 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 is reviewed by the Board on a regular basis. During the period US\$165m drawings on the NAB revolving facility were repaid.

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) Regulations 2011. Accordingly, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue in operational existence for a period of at least twelve months from the date of approval of these Financial Statements.

2 Financial information

The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 31 March 2023 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditors' Report on those accounts was not qualified, did not include a reference to any matters to which the Auditors drew attention by way of emphasis without qualifying its report and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

3 Net return per ordinary share

	Six months to 30 September 2023 £'000	Six months to 30 September 2022 £'000
Revenue return on ordinary activities after taxation	22,722	20,719
Capital return on ordinary activities after taxation	(400,062)	(2,596,148)
Total net return	(377,340)	(2,575,429)
Weighted average number of ordinary shares in issue	1,406,934,969	1,439,460,353

The net return per ordinary share figures are based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

4 Dividends

	Six months to 30 September 2023 £'000	Six months to 30 September 2022 £'000
Amounts recognised as distributions in the period:		
Previous year's final dividend of 2.50p (2022 – 2.07p), paid 4 July 2023	35,190	29,864
	35,190	29,864
Dividends proposed in the period:		
Interim dividend for the year ending 31 March 2024 of 1.60p (2023 – 1.60p)	22,495	22,848
	22,495	22,848

The interim dividend was declared after the period end date and has therefore not been included as a liability in the Balance Sheet. It is payable on 15 December 2023 to shareholders on the register at the close of business on 24 November 2023. The ex-dividend date is 23 November 2023. The Company's Registrars offer a Dividend Reinvestment Plan and the final date for elections for this dividend is 28 November 2023.