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BlackRock

BlackRock Greater Europe Investment Trust plc

Annual Report and Financial Statements 31 August 2024

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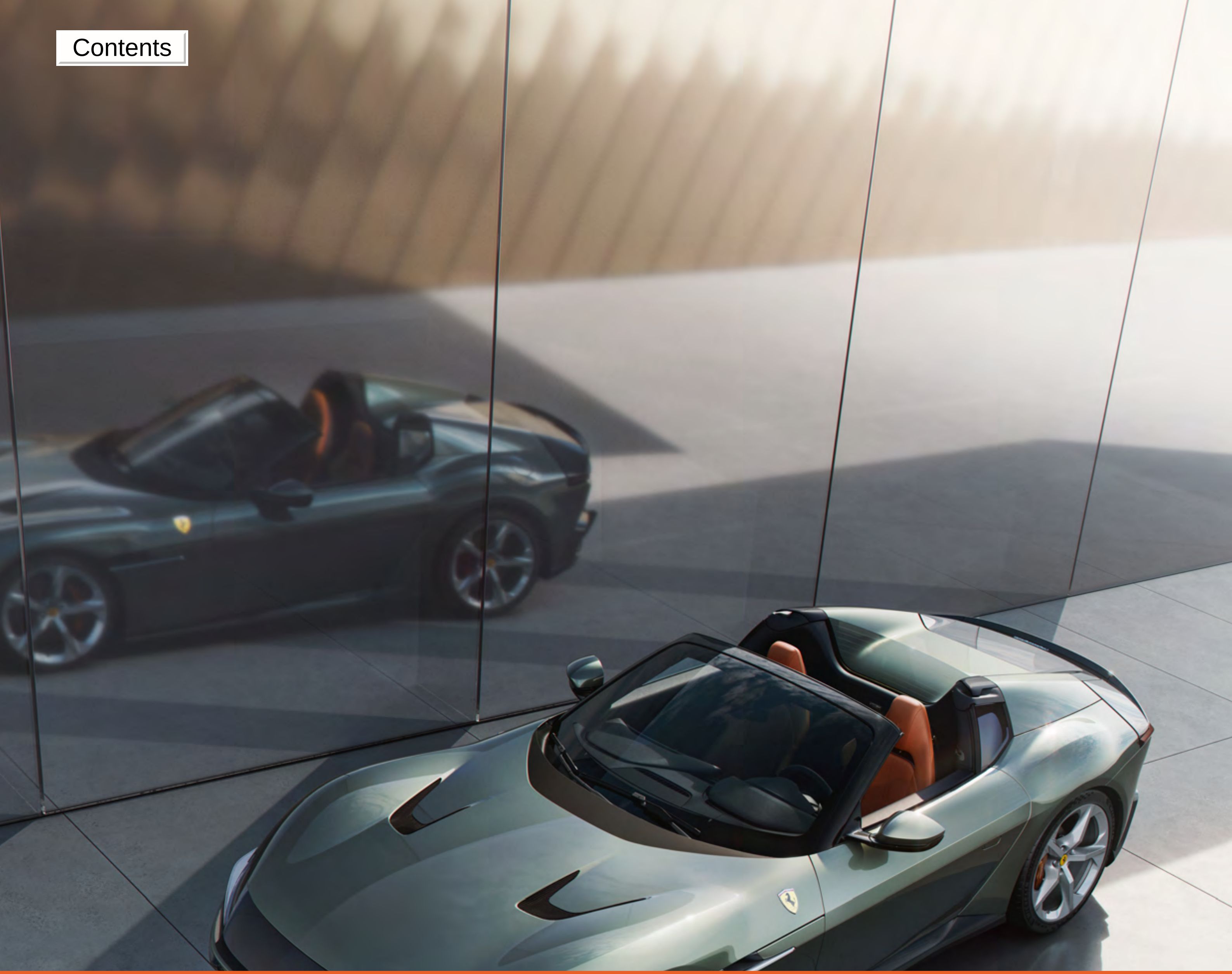

Keeping in touch

We know how important it is to receive up-to-date information about the Company.

To ensure that you are kept abreast, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link to the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets and market commentary, as well as upcoming events and webinars. Information about how we process personal data is contained in our privacy policy available on our website.

Further information about the Company can be found on our website at www.blackrock.com/uk/brge.

General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.

Use this QR code to take you to the Company's website where you can sign up to monthly insights and factsheets.

Register here to watch this year's Annual General Meeting

For the benefit of shareholders who are unable to attend this year's AGM in person, we have arranged for the proceedings to be viewed via a webinar. You can register to watch the AGM by scanning the QR code opposite or by visiting our website at www.blackrock.com/uk/brge and clicking the registration banner.

Please note that it is not possible to speak or vote at the AGM via this medium and joining the webinar does not constitute attendance at the AGM. Shareholders wishing to exercise their right to attend, speak and vote at the AGM should either attend in person or exercise their right to appoint a proxy to do so on their behalf. For further details please see page 133 of the Annual Report.

Financial highlights

as at 31 August 2024

644.60p
Net asset value (NAV) per ordinary share
+16.4%[1,2]

2219.24
Reference index
+15.8%[1]

601.00p
Ordinary share price
+15.5%[1,2]

£640.3m
Net assets
+13.2%

7.00p
Total dividends
+3.7%

1.2%[2,3]
Yield

7.35p
Revenue earnings per ordinary share
+7.3%[2]

AJBell Awards 2022
EUROPEAN EQUITY – ACTIVE

The above financial highlights are at 31 August 2024 and percentage comparisons are against 31 August 2023.

[1] NAV per ordinary share, mid-market share price and FTSE World Europe ex UK Index (the reference index) are calculated in Sterling terms with dividends reinvested.

[2] Alternative Performance Measures, see Glossary on pages 122 to 126.

[3] Based on dividends paid and declared for the year ended 31 August 2024 and share price as at 31 August 2024.

High-end sports car manufacturer Ferrari was a notable contributor to performance, its share price rising 50% over the period. Major upcoming launches in a strong product pipeline include the 12 Cilindri Spider shown opposite.

Why BlackRock Greater Europe Investment Trust plc?

Investment objective

The Company's objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe.

The Company has the flexibility to invest in any country included in the FTSE World Europe ex UK Index, as well as the freedom to invest in developing countries not included in the index but considered by the Manager and the Directors as part of greater Europe.

Reasons to invest

Conviction

A concentrated portfolio focusing on the best ideas existing within the European Equity Market. Not constrained by market cap, sub-sector or region, the portfolio managers can invest across the breadth of the European market, comprising a portfolio of the best 30-45 investment ideas.

Long-term focus

Looking through the daily noise which impacts the market for the best long-term opportunities. We wish to be an investor in companies, not a trader of shares. We look to align ourselves with the best management teams in the region which we believe have the ability to create value for shareholders over the long term.

Risk aware

The portfolio is concentrated but highly risk aware. The portfolio managers aim to ensure risk and returns are diversified by end market exposures. They work closely with partners in the BlackRock Risk and Quantitative Analysis team to ensure that portfolio risk is deliberate, diversified and scaled.

Personnel

The Company benefits from the 24-strong European Equity team within BlackRock's Fundamental Equity division.

High quality

The Company is designed for investors looking to invest in a selection of Europe's highest quality, fastest-growing companies, irrespective of their size and geography.

aic
The Association of Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, factsheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/brge.

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Cover: Paris, France.

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Performance record

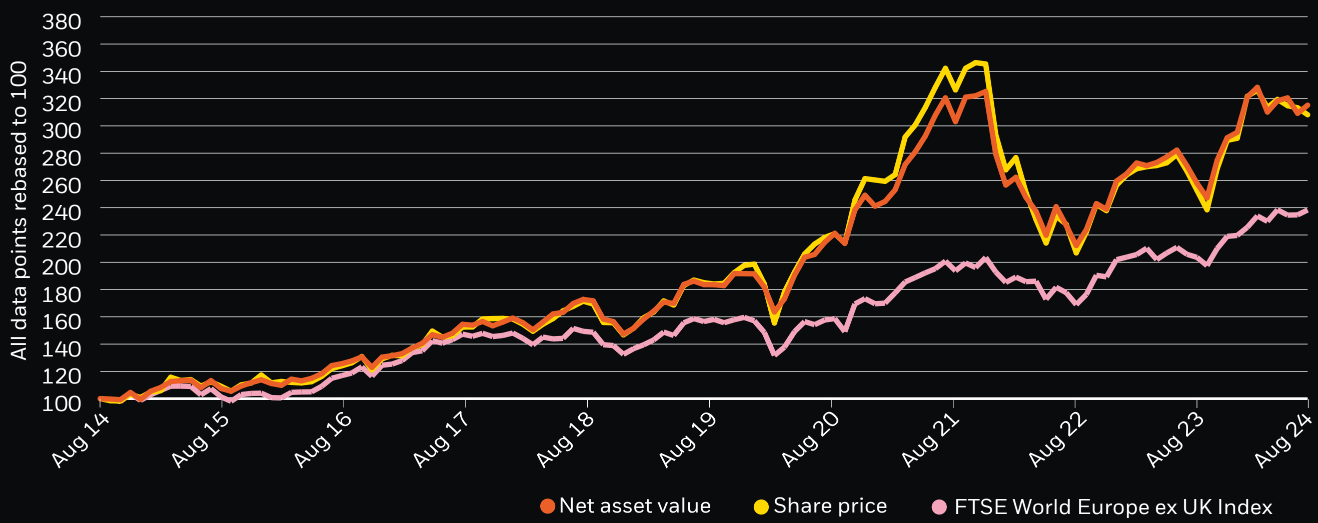
	As at 31 August 2024	As at 31 August 2023
Net assets (£'000)[1]	640,300	565,710
Net asset value per ordinary share (pence)	644.60	560.11
Ordinary share price (mid-market) (pence)	601.00	527.00
Discount to cum income net asset value[2]	6.8%	5.9%
FTSE World Europe ex UK Index	2219.24	1916.71

	For the year ended 31 August 2024	For the year ended 31 August 2023
Performance (with dividends reinvested)		
Net asset value per share[2]	16.4%	19.2%
Ordinary share price[2]	15.5%	17.1%
FTSE World Europe ex UK Index	15.8%	15.8%

	For the period since inception[4] to 31 August 2024	For the period since inception[4] to 31 August 2023
Performance (with dividends reinvested)		
Net asset value per share[2]	797.6%	671.0%
Ordinary share price[2]	747.3%	633.9%
FTSE World Europe ex UK Index	461.2%	384.7%

	For the year ended 31 August 2024	For the year ended 31 August 2023	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	7,379	6,920	+6.6
Revenue earnings per ordinary share (pence)[3]	7.35	6.85	+7.3
Dividends (pence)			
Interim dividend	1.75	1.75	–
Final dividend	5.25	5.00	+5.0
Total dividends payable/paid	**7.00**	**6.75**	**+3.7**

Performance over the ten years to 31 August 2024



Sources: BlackRock and LSEG Datastream.
Performance with dividends reinvested in Sterling terms, rebased to 100 at 1 September 2014.

[1] The change in net assets reflects payments for shares repurchased into treasury, portfolio movements and dividends paid.
[2] Alternative Performance Measures, see Glossary on pages 122 to 126.
[3] Further details are given in the Glossary on page 125.
[4] 20 September 2004.

Chairman's Statement

Dear Shareholder

Eric Sanderson
Chairman

Overview

The European economy entered 2024 on a weaker footing than previously expected after narrowly avoiding a technical recession in the second half of 2023. This was against a background of weak consumer demand. The European Central Bank maintained a tight monetary policy despite improving inflation, and adopted a cautious stance in light of persistent geo-political instability and underlying inflationary risks. Despite the above, European equities delivered strong positive returns in the first half of 2024, as inflation figures continued their downward trend and in the expectation of further interest rate cuts by central banks.

Performance

Against this background, I am pleased to report that the portfolio performed well during the year, outperforming its reference index. The Company's net asset value per share (NAV) returned +16.4% and the share price +15.5%. In comparison, the FTSE World Europe ex UK Index returned +15.8% over the same period (all percentages calculated in Sterling terms with dividends reinvested).

More details on this and the significant contributors to and detractors from performance during the year are given in the Investment Manager's Report on pages 9 to 16. Since the financial year end and up to close of business on 1 November 2024, the Company's NAV has decreased by 7.0% compared with a fall in the FTSE World Europe ex UK Index of 3.4% over the same period.

Revenue earnings and dividends

Your Company's total revenues each year are a reflection of the dividends we receive from portfolio companies. The revenue return per share for the year ended 31 August 2024 amounted to 7.35p per share, which compares with 6.85p per share for the previous year, an increase of 7.3%.

At present, the dividends paid from the Russian securities in the Company's portfolio are held in a custody 'S' account in Moscow. The balance on the 'S' account as at 31 August 2024 was equivalent to approximately £2.45 million at the exchange rate applicable on that date. The Company's Investment Manager is monitoring the receipts into the 'S' account against dividends announced by the portfolio companies, although there is no certainty that the sums in the 'S' account will ever be received by the Company. They are not recognised in the Company's net asset value or in its income statement.

The Board also monitors the underlying local value of the Russian securities on the Moscow Stock Exchange which at 31 August 2024 were approximately £23.1 million at the exchange rate applicable on that date, although again there is much uncertainty whether the Company will ever be able to receive any value in respect of these securities. These investments have been held at a nominal value of £0.01 in the net asset value at 31 August 2024.

In April, the Board declared an interim dividend of 1.75p per share (2023: 1.75p) and the Board is proposing the payment of a final dividend of 5.25p per share for the year (2023: 5.00p). This, together with the interim dividend, makes a total dividend for the year of 7.00p per share (2023: 6.75p), an increase of 3.7%. The dividend will be funded from revenue received in the year. Subject to shareholder approval, the dividend will be paid on 20 December 2024 to shareholders on the Company's register on 22 November 2024, the ex-dividend date being 21 November 2024.

Management of share rating

Over the year to 31 August 2024, the Company's shares have traded at an average discount of 5.6%. During the year, the Company purchased 1,668,000 ordinary shares at an average price of 613.13p per share and an average discount of 5.4% for a total cost of £10,227,000. Since the year end up to 4 November 2024, a further 1,094,011 ordinary shares have been bought back at an average price of 578.60p per share for a total cost of £6,330,000. All shares have been placed in treasury.

As reported in the Half Yearly Financial Report, the Directors exercised their discretion not to operate the half yearly tender offers in November 2023 and May 2024. It was also announced on 24 September 2024 that the Board had decided not to implement a semi-annual tender offer in November 2024. Over the six months to 31 August 2024, the average discount to NAV (cum income) was 4.9% and the discount as at close of business on 23 September 2024 was 5.6%. Against a background of volatile market conditions and the Company trading at the narrowest discount within its peer group at that date, the Board concluded that it was not in the interests of shareholders as a whole to implement a semi-annual tender offer in November 2024.

The Directors recognise the importance to investors that the market price of the Company's shares should not trade at a significant premium or discount to the underlying NAV. Accordingly, in normal market conditions, the Board may use the Company's share buy back and share issue powers, or operate six monthly tender offers, to ensure that the share price does not go to an excessive discount or premium to the underlying NAV. Resolutions to renew the Company's semi-annual tender offers and the authorities to issue and buy back shares will be put to shareholders at the forthcoming Annual General Meeting.

Board composition and policy on tenure

Having served as a Director of the Company since April 2013, and as Chair since November 2016, it is my intention to step down from the Board in due course, subject to a suitable successor being identified. As part of orderly succession planning, the Board commenced a search in the year to identify a new Director, assisted by a third-party recruitment firm. As part of this process, consideration is being given to ensuring that the Board retains an appropriate balance of skills, knowledge and experience, independence and diversity that meets or exceeds relevant best practice. The process is underway and a further announcement will be made in due course.

The Board has also decided to introduce guidelines on Directors' tenure, with the intention that (under normal conditions) no Director will normally serve on the Board for more than nine years, or twelve years in the case of the Chairman. The longer time limit for the Chairman's tenure is to allow for continuity of leadership in circumstances where a Chairman is appointed from the ranks of existing Board members after having already served on the Board for a period of time. In setting this policy, the Board is mindful that two Board members have exceeded the proposed nine-year limit. To ensure an orderly Board refreshment process, the implementation of the new guidance on tenure will therefore be phased in over a period of time.

The Board is cognisant of the benefits of a diverse range of skills on the Board and the Company is compliant with the Parker Review recommendation that FTSE 350 companies have at least one director from an ethnically diverse background by 2024. In accordance with the Listing Rules we have disclosed the ethnicity of the Board and policy on matters of diversity in the Corporate Governance Statement on page 65. The Board is also compliant with the recommendations of the FTSE Women Leaders Review. The review set targets for FTSE 350 companies which are designed to achieve boards with 40% female representation (previously 33%) and at least one woman in the role of Chair or Senior Independent Director on the board.

Shareholder communications

The Board appreciates how important access to regular information is to our shareholders. To supplement our website, we offer shareholders the ability to sign up to the Trust Matters newsletter which includes information on the Company, as well as news, views and insights. Further information on how to sign up is included on the inside cover of this report.

Outlook

There are uncertainties in the outlook based on events such as the recent elections both in the US and Europe, inflation and interest rates, as well as geo-politics. However, a combination of interest rates starting to trend downwards (the ECB has indicated a clear direction after easing policy twice since June) and signs of moderate but improving economic momentum, give reasons for cautious optimism for the European economy and its stock markets. European stocks are attractively valued both relative to their history and global markets, especially so in comparison to the US market. This could bring positive returns, helped by the macroeconomic environment, the potential for improvement in corporate earnings and the increased use of buybacks by European management teams returning capital to shareholders.

Annual General Meeting

The Annual General Meeting (AGM) of the Company will be held in person at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 10 December 2024 at 12 noon. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 130 to 134 of this Annual Report.

For the benefit of shareholders who are unable to attend this year's AGM in person, we have arranged for the proceedings to be viewed via a webinar. You can register to watch the AGM by scanning the QR Code inside the cover of this Annual Report or by visiting our website at www.blackrock.com/uk/brge and clicking on the registration banner. Please note that it is not possible to speak or vote at the AGM via this medium and joining the webinar does not constitute attendance at the AGM. Shareholders wishing to exercise their right to attend, speak and vote at the AGM should either attend in person or exercise their right to appoint a proxy to do so on their behalf.

Eric Sanderson
Chairman
5 November 2024

Investment Manager's Report

Stefan Gries

Alexandra Dangoor

Market review

For the year ended 31 August 2024 performance was positive with a share price total return of 15.5% and underlying NAV return of 16.4%. By way of comparison, the reference index (FTSE World Europe ex UK Index) returned 15.8% over the same period. All percentages are calculated in Sterling terms with dividends reinvested. Despite the strong performance, the market was volatile, driven by rapidly shifting market narratives concerning the resilience (or lack thereof) of global economic growth and the future path of interest rates.

Reviewing events chronologically, the Company's financial year started with persistently high interest rates weighing on sentiment. Equity markets moved off their lows from October 2023 as inflation in both the US and Europe surprised to the downside leading to a downward shift in interest rate expectations and enabling policy makers at the Federal Reserve and the European Central Bank to pause further rate hikes. Cyclical and long-duration assets led the charge as investors anticipated rate cuts in 2024. This positive momentum carried over into the first quarter of 2024, finding additional support from better-than-expected macroeconomic data as well as robust corporate earnings. 2023 full year results – reported in the first quarter of 2024 – saw capital expenditure announcements from large US technology groups which surprised significantly to the upside and led to strong share price moves in technology and semiconductor related issuers. The market overall favoured cyclical and quality growth assets, which generally benefited the Company's portfolio positioning during this period.

Danish multinational pharmaceutical company Novo Nordisk was the top performer over the period. Demand for its obesity drug Wegovy surged, with sales increasing by over 200% year-on-year in 2023.

PHOTO COURTESY OF NOVO NORDISK S/A

L'Oréal, the world's largest cosmetics company, was a new addition to the portfolio during the year. Its products cover skin care, UV protection, make-up, perfume and hair care.

PHOTO COURTESY OF L'ORÉAL GROUP

Beginning in the early second quarter of 2024 the market's enthusiasm ebbed, with higher inflation and weaker growth data causing a repricing in interest rate expectations, a re-emergence of 'hard landing' fears and a coincident change in equity market leadership – with defensive and value stocks favoured over cyclicals and growth.

The distressing ongoing conflicts in Ukraine and the Middle East were never far from the news. While the human costs of these events are enormous and tragic, the impact on financial markets has been limited – with major commodity prices generally well behaved and an imperceptible influence on major European company earnings. Closer to home, French parliamentary elections led to a temporary rise in risk premia applied to French domiciled assets, but there is limited evidence of any impact on future earnings so far.

Portfolio performance

Defensives

Reviewing performance at the single stock level, two very different defensive businesses – **Novo Nordisk** (Novo) and **RELX** - were top contributors. Novo was the Company's top performing stock over the period. Several years of exceptional share price developments have left the company's merits better recognised by market participants today, with Novo growing into the largest holding in the Company over the past two years.

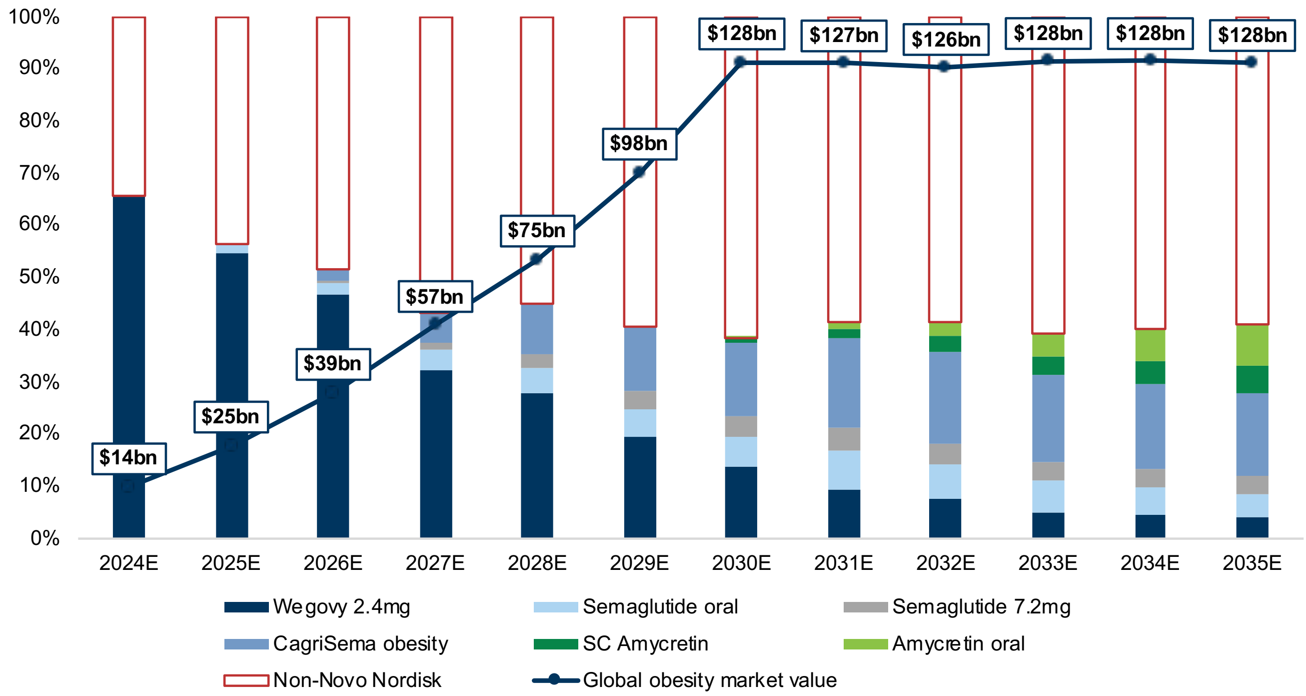
Over the last year Novo shares continued to rise due to strong sales growth of its GLP-1 drugs, ongoing expansion into the obesity treatment market, positive clinical trial results, as well as regulatory approvals. Its obesity blockbuster drug Wegovy experienced surging demand globally, particularly so in the US, with sales increasing by over 200% year-on-year in 2023, adding approximately US$2.4 billion to group revenues.

Despite the gradual emergence of new players in the obesity market, we take comfort from the fact that most new entrants are still in the early development stage with potentially new drugs years away from entering this highly attractive market; they also fail to offer clear differentiation from Novo's injectable product portfolio thus far.

Additionally, the combination of a large total addressable market in obesity and continued supply shortages experienced by the leading manufacturers means this segment should offer room for multiple players; in fact, having more than two players would help to develop the category benefiting all companies involved. For now, we expect the obesity market to remain dominated by Novo and Eli Lilly.

Looking ahead, we remain positive on Novo's outlook. We anticipate several catalysts to drive the shares higher, including positive Phase III data for CagriSema, which is currently undergoing clinical trials. Early results have shown promising efficacy in weight reduction and glycaemic control compared to existing treatments, which could make it the best-in-class drug when it launches in the second half of 2025.

The closure of the Catalent deal, a strategic collaboration to expand production capacity for Wegovy, should significantly boost manufacturing capacity to serve currently unmet demand, as 1.2 billion people are expected to live with obesity by 2030, up from 800 million in 2020. From here, we expect Novo Nordisk to continue growing sales at 20% top line with over proportional growth in operating earnings.

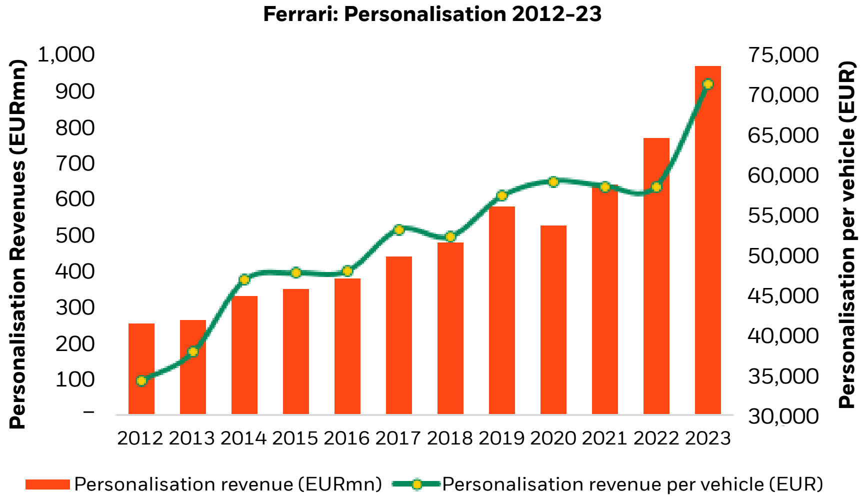


Secondly, RELX showed strong share price developments on the back of a step change in its organic sales growth profile. As a leading provider of information-based analytics and decision tools for professional and business customers, RELX has undergone a significant business transformation in recent years. It has invested heavily in value-add tools, particularly in their subscription-based 'Scientific, Technical, and Medical' (STM) and 'Legal' divisions, which tend to run on contract structures of at least three to five years. This provides excellent revenue visibility, as for many of its clients renewing those subscriptions represents a business-critical decision, with high switching costs.

Above all, RELX's strength lies in the vast amount of data they possess. Instead of just selling data, they build state of the art analytical tools. One example of this is in the Legal division which allows lawyers to search for historic case verdicts and assist in drafting legal documents. Their Legal division generated 2% organic growth pre-Covid which has accelerated to 6% since then.

Finally, following years of investing smartly in those capabilities, RELX has managed to emerge as an 'artificial intelligence (AI) winner'. It benefits from holding intellectual property (IP) and has made significant steps in monetising AI, already generating revenue from their AI tools, leaving potential for further acceleration in revenue growth in future years.

Consumer cyclical
Shares in high-end sports car manufacturer **Ferrari**, a quasi-luxury company in the autos sector, also contributed successfully rising by 50% over the period. This success can be attributed primarily to a strong build out of its order book, a significant shift in mix and personalisation revenues that increased the average sale price per car by over 10% over the past year.



Source: BlackRock, based on company reports. December 2023.

Ferrari's strategy of focusing on limited production volumes, selling just 14,000 cars per year, continues to create elevated levels of brand desire, an unparalleled degree of pricing power and has demonstrably enhanced its earnings resilience over time. Despite weakness in the broader consumer market, particularly among 'aspirational buyers', Ferrari has managed to stay largely unaffected as 74% of its cars were sold to existing customers in 2023.

Major upcoming product launches, including the 12 Cilindri and 12 Cilindri Spider sportscars, ensure the group's product pipeline remains strong and should also support attractive growth in the coming years. Additionally, brand equity remains carefully managed with its high-quality management team ensuring that the second-hand market supports their overall pricing strategy.

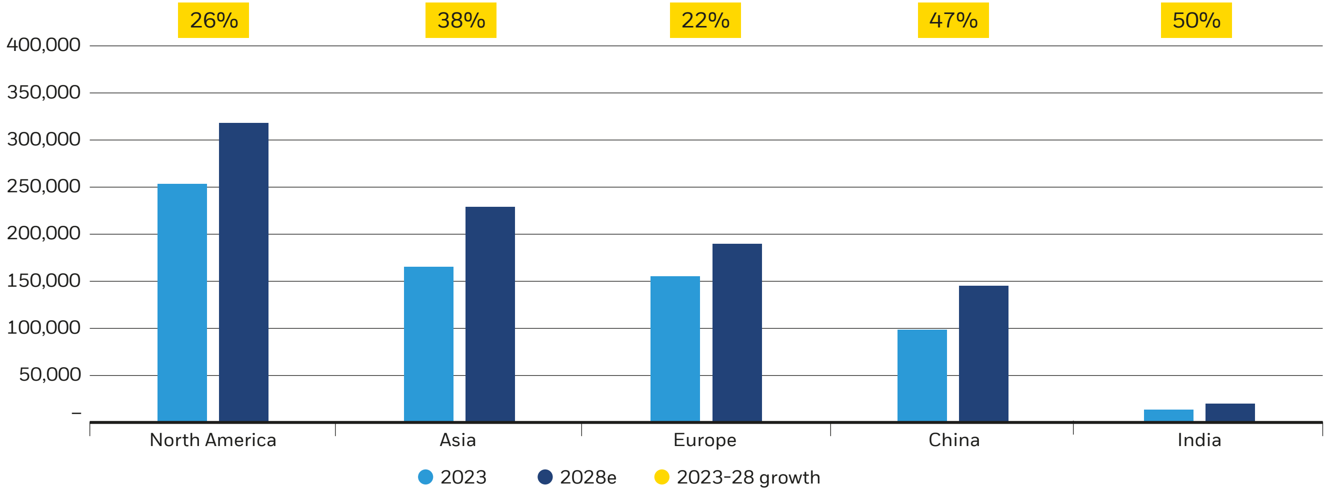
One of Ferrari's greatest advantages lies in its unique ability to increase or restrict supply of any one model at any given time, allowing for increased levels of control over the progression in its operating margins and cash flows. Ferrari enjoys excellent visibility provided by an order book that provides revenue coverage well into 2026. All told, we consider the company to be among royalty in European markets as Ferrari remains one of the highest quality assets in our universe with operating earnings compounding at +10% for the foreseeable future.

Unlike Ferrari, the broader luxury sector has struggled this past year, with our long-term holding in **LVMH** being among the largest detractors. Indeed **Hermès**, which operates a business model more aligned to Ferrari, has also faced some difficulties.

For the better part of a decade the luxury goods sector has enjoyed strong momentum delivering 10% organic growth on average. In the past three years this stellar growth accelerated further, with top brands benefiting from both pricing power and very positive global consumption trends. This was despite the Chinese consumer contributing materially less to growth than in prior years. Overall, we identify two negative factors being faced by luxury companies that have led to a more muted near-term growth outlook and, in some cases, operating deleverage, namely: a weaker-for-longer consumer backdrop in China and 'aspirational' buyers cutting back on discretionary spending in the US.

Zooming in on China, this has been a major growth engine for the luxury sector for much of the past decade, driven by fast-rising wealth and increasing consumer awareness. However, in more recent times, a weaker economic environment, declining property values and restrictive government policy has dampened consumer confidence. This has resulted in more volatile demand trends in what remains an important luxury end-market, comprising circa 30% of sales on average for most brands. Currently, only a select few operators, counting Hermès and Louis Vuitton among them, are enjoying positive growth with Chinese consumers, while most are suffering. Despite those cyclical headwinds we believe that long-term prospects for luxury goods consumption in China are bright and structural drivers remain firmly intact. In the face of negative headlines, average incomes are still rising year-on-year, the middle class continues to expand and it is expected that China's ultra-high-net-worth population grows 47% between 2023 and 2028 (source: Knight Frank). Meanwhile, a recent shift in government policy suggests more of a focus on stimulating consumption as a driver of GDP growth than in the past. While we are not out of the woods just yet, we believe that Chinese appetite for luxury goods remains intact.

Number of ultra high net worth individuals by region



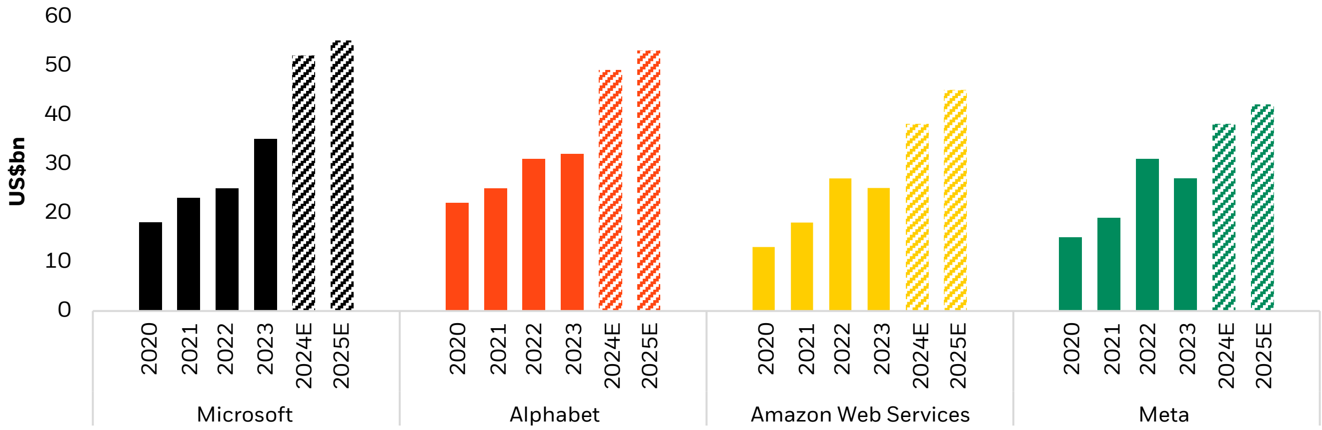
Source: Knight Frank wealth report 2024.

Industrial cyclical
Technology, and more specifically the semiconductor subsector, was the source of some of the biggest winners of the year in the wafer fabrication equipment companies **ASML** and **ASM International** (ASMI) but also the biggest detractor in **STMicroelectronics**.

We have regularly cited in previous reports the attraction of running large exposures to this industry as the segment serves many structurally growing end markets. The businesses we own in this industry can be regarded as enablers of large transformational changes occurring in the world around us. Those include the decarbonisation of transport, elevated demand for computing power to conduct data analytics, the omnipresence of inter-connected devices, Industry 4.0, as well as accelerated demand for high end logic chips as we move to more wide scaled adoption of generative AI applications, which in itself demands significant build out of data infrastructure.

Overall, demand for leading edge chips was driven by a significant increase in investment spend by US tech giants such as Amazon Web Services, Microsoft, Alphabet and Meta which in large part went into the expansion of their AI capabilities. ASML and ASMI are prime examples of why technological breakthroughs are not just contained to the US, with some of the key enabling technologies coming out of those two businesses listed in Europe.

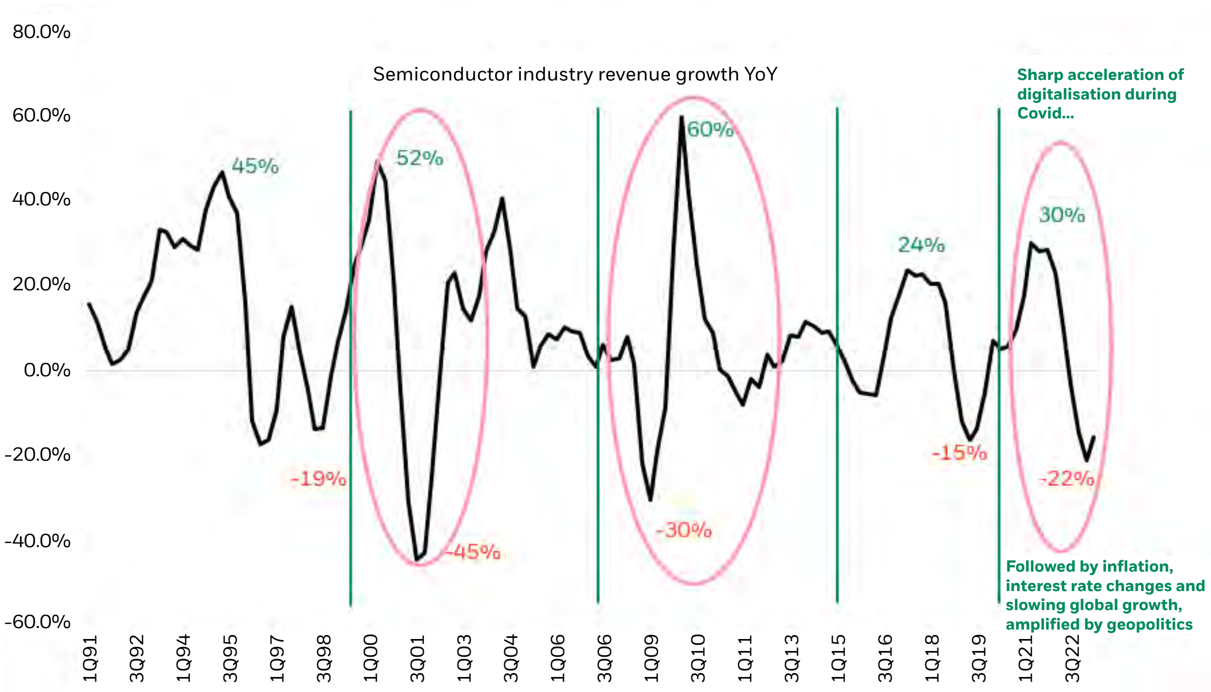
Big 4 cloud capital expenditures



Source: Goldman Sachs Global Investment Research, 31 December 2023.

Last year we argued we were seeing a trough in the semiconductor cycle and were positioned to play a multi-year recovery in the sector. This recovery has started to materialise, with order numbers coming through strongly. In 2023, ASML achieved net sales of €27.6 billion, reflecting 30% growth compared to the previous year. By the end of 2023 ASML had built a robust order backlog of €39 billion, bolstered by a record order intake of €6.3 billion in the fourth quarter of 2023. This growth was driven by high demand for their cutting-edge lithography tools, Extreme Ultraviolet systems. With 2024 guided to be a transition year for the company, ASML is preparing for a healthy market recovery in 2025 as it ramps-up capacity and expects further growth driven by advancements in AI and demand for new high bandwidth memory technologies.

Like ASML, ASMI also enjoyed strong order momentum, despite experiencing heavy quarterly fluctuations during 2023. By the first quarter of 2024, ASMI's order intake had risen to €698 million, showing a 10% increase compared to the first quarter of 2023, supported by strong demand in advanced semiconductor technologies like gate-all-around (GAA) and increased memory orders. ASMI's fortunes are closely tied to leading edge chip architectures moving to 2 nano-meter nodes with manufacturers like TSMC adopting ASMI's cutting edge GAA technology in the process. ASMI also made strides in silicon carbide Epitaxy technology, a key growth area, primarily used in high-power and high-temperature applications. We expect both companies to experience multi-year growth as the semiconductor cycle continues to recover and technology roadmaps of its key clients require increased spend well into the second half of the decade.



Source: Semiconductor Industry Association, 1 March 2024.

Against this stronger background, the industry has also faced challenges as normalisation of extraordinary demand patterns experienced during Covid led to a prolonged period of order disappointments and inventory destocking in auto and industrial verticals.

STMicroelectronics, the portfolio's largest detractor over the period, struggled primarily due to losing market share in China and seeing its industrial business shrink by half. Uncharacteristically, the company had to lower its full-year guidance twice in 2023, attributing the cuts to weakening demand in key sectors like automotives and industrials. Those challenges were caused above all by a slowdown in electric vehicle sales in Europe, as well as inventory build-up across different industry verticals.

The subsequent decline in customer orders led to underutilised fabrication plants, causing adverse effects on STMicroelectronics' operating profitability and significant downgrades to consensus expectations. Considering the continued weaker outlook for both the auto and industrial end markets and taking into consideration the general predicament traditional European car manufacturers find themselves in, we are currently re-assessing positioning in this part of the portfolio.

Portfolio changes

As long-term investors we aim to give portfolio company management teams sufficient time to execute on their respective value creating strategies and, with this in mind, it is pleasing to note that over the course of the financial year portfolio turnover was just below 22% - in line with target holding periods of three to five years. The key transactions accounting for this turnover and summaries of the careful due diligence undertaken are outlined below.

Danish freight forwarding and logistics company **DSV** had been held since 2016 and one of the key tenets of the investment case was the management team's track record in creating value through acquisitions and fostering a best-in-class culture. However, several red flags started to emerge over the course of last year. Firstly, the company announced a US$10 billion exclusive logistics joint venture with Saudi's NEOM city project. Not only did this raise concerns about corporate governance, capital intensity of the project and pointed to a material shift in a well-rehearsed strategy, it also raised questions around heightened execution risks potentially destroying value over time. Additionally, DSV made significant leadership changes in early 2024 with its highly regarded CEO stepping down after 15 years in the job. Lastly, from an organic growth perspective, DSV's operations continued to be adversely impacted by low growth in global trading volumes which remain on a slow recovery path overall. This combination of factors lowered our conviction in the investment thesis and led to exiting the shares.

Diminished faith in company management was also a contributing factor in the sale of pharmaceutical equipment supplier **Sartorius Stedim**. The company saw its revenues drop by 18% in the first nine months of 2023 and was forced to revise down its full-year sales and earnings guidance due to reduced demand and excess inventories held by clients. Whilst this appears a forgivable event, we took serious issue with the overpriced acquisition of Polyplus which was closed in the summer of 2023. This deal raised questions around capital allocation, as the multiple paid was high: partially interpreted as an attempt to buy in growth at a time of weaker demand, Stedim had to raise equity to finance the transaction diluting existing shareholders in the process. Like DSV, we felt this was a material break of our original thesis and decided to redeploy capital into issuers where conviction levels were meaningfully higher.

Finally, we added **L'Oréal** to the portfolio. The company has been almost uniquely focused on the beauty category since its foundation in 1909. As the world's largest cosmetics company, L'Oréal benefits from a diverse brand portfolio that spans mass-market to luxury beauty products, appealing to a wide range of consumers. The company's consistent investment in research and development keeps it at the forefront of beauty trends, such as the growing demand for sustainable and eco-friendly products, while its investments in technology and data analytics have enhanced its ability to understand consumer preferences and deliver personalised experiences, meaning it is well placed to capitalise on the growing online beauty market. Additionally, its continued expansion into emerging markets, particularly in Asia and Latin America, offers substantial growth opportunities, whilst further premiumisation of its product offerings could boost profitability.

Outlook

Following the "AI Boom" at the beginning of 2024, at the time of writing the global investment community had begun a more critical assessment of the return on investment on the large amounts of money pouring into the build-out of AI infrastructure. Market concerns have centred around the sustainability of this AI capital expenditure cycle. While some of the initial excitement was clearly overdone, we remain of the view that new technological breakthroughs often follow a familiar pattern – investors overestimate their potential in the near term while underestimating what is possible in the medium to longer term. We suspect the adoption of AI and its different use cases are no different in that regard. The race to build leading AI infrastructure is still in its infancy, with significant competitive momentum pushing cash rich companies to continue to innovate and invest to stay ahead. It is clear hardware infrastructure roadmaps are not keeping up with the pace of development in AI, leading to a widening gap between model training computational needs and the key infrastructure that is available in compute, rack design, network, cooling systems and power. None of today's technology leaders can afford to be left behind in delivering breakthrough technologies in what could be the defining technological development of this generation.

This is relevant to us because the European market is home to an ecosystem of companies which possess the enabling technologies required in these transformational changes – not just AI adoption, but also the energy transition and global efforts to reorganise supply chains. Many of these businesses sell to global customer bases and are the world leaders in their fields. These competitively advantaged and secular growth businesses have become an increasingly important component of the overall market whilst undifferentiated '*older economy sectors*' like telcos, auto and energy producers have shrunk in size over the last decade.

European index sector weight changes
2014 vs 2024 by market cap

Biggest sector reductions (2014 to 2024)	Biggest sector increases (2014 to 2024)
1. Energy (-4.2%)	1. Capital Goods (+5.0%)
2. Banks (-3.6%)	2. Semiconductors (+3.4%)
3. Telcos (-2.4%)	3. Pharma, Biotech, Lifesciences (+2.6%)

Source: BlackRock. MSCI data as at 30 September 2024.

Alongside the investment opportunities afforded by these structural forces, we detect a cyclical upturn in a variety of industries like construction, life-sciences and chemicals which have suffered from pronounced volume declines for the best part of two years. Global manufacturing Purchasing Managers Indices have stayed below 50 for the last 23 months, signalling the longest period of contraction since 1951; importantly, in many end markets management teams are now talking about stabilisation of demand with painful inventory adjustments having come to an end. European construction is a good example, where easing financial conditions are helping activity levels to recover following the 40-45% collapse in new built residential volumes over the past couple of years.

Against the backdrop of a structurally improved market composition and a cyclical recovery, we see valuations in the European market at a record wide discount relative to the US. This dichotomy does not make sense to us. A healthy market operates as a discounting mechanism and the investment community's myopic focus on near-term problems should soon make way for the medium- to long-term opportunities. We see 2025 as a recovery year for earnings and beyond that we envisage a multi-year period of healthy profit growth, alongside the potential for this historic valuation gap to the US to narrow. Those prepared to take the optimistic view should be rewarded over time.

Stefan Gries and Alexandra Dangoor
BlackRock Investment Management (UK) Limited
5 November 2024

Portfolio

The technology sector was the source of some of the year's big winners. Dutch semiconductor manufacturing equipment specialist ASM International was a strong contributor to performance, making strides in silicon carbide Epitaxy technology, a key growth area within the semiconductor sub-sector.

PHOTO COURTESY OF ASM INTERNATIONAL

Investment process and philosophy

Investment objective and strategy

The Company's objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies. The Company is a concentrated, high conviction portfolio with a long investment horizon and can have up to 25% of its overall risk allocation from developing European stocks.

The Company is managed by Stefan Gries and Alexandra Dangoor, who are supported by BlackRock's Fundamental European Equity team.

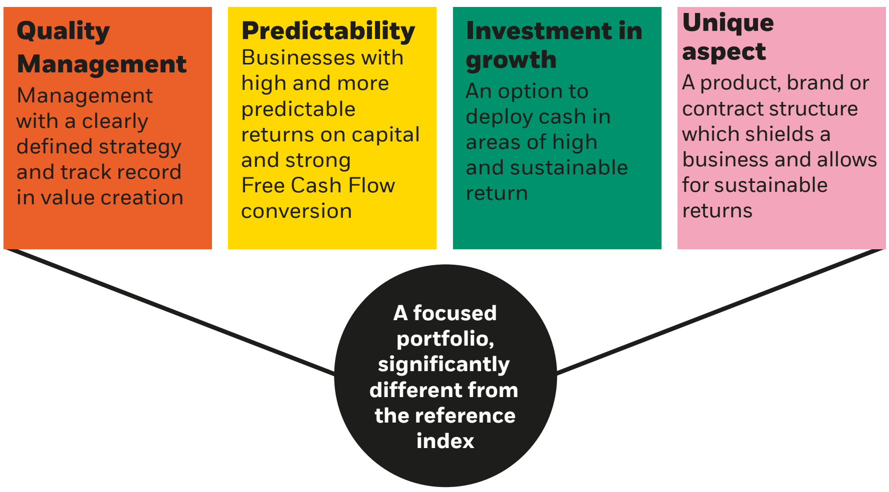
Investment philosophy

The portfolio managers believe there is a scarcity of truly exceptional businesses in Europe which have financially sustainable business models that can compound earnings at attractive rates over time. This leads us* to running a high conviction, concentrated portfolio which seeks to invest in the best wealth creating businesses on a three to five-year view.

The portfolio has a core exposure to businesses in the developed European markets that we believe offer predictable and diversified sources of earnings and cash flows. Portfolio managers Stefan Gries and Alexandra Dangoor and the European team focus on identifying companies that fit the following investment criteria:

- **Quality management:** a company which has a clearly defined strategy, which can be articulated by management, and a strong track record of value creation.
- **High and predictable return on capital with strong free cash flow conversion:** high-quality earnings which are backed by cash and where there is good visibility on the business trajectory.
- **Investment in growth:** companies which have optionality to invest in growth. Return on invested capital (ROIC) is an important measure in this regard, particularly marginal ROIC.
- **A unique aspect, protecting the business from future competition:** whether a product, brand or contract structure, we look for a differentiated factor that supports a competitive advantage for a company, allowing them to have superior pricing power and a protected/growing market share.

Primary investment criteria



Investment process

The Company invests mostly in European large and mid-cap securities with a market capitalisation in excess of €5 billion and can hold approximately 30 to 70 stocks, although we are typically centred towards the bottom of the range.

The European team adopts a common framework that can serve all the team's strategies. The European team's aim is to manage businesses on behalf of our clients in order to preserve their capital and grow their wealth over the long term. We look to do this through focusing on three lenses - Wealth Creation, Resilience and Change. We concentrate our analysis on:

* References in this Investment Process and Philosophy section to 'us' and 'we' are to the portfolio managers and/or the Investment Manager (as applicable).

- **Wealth Creation** – companies which we believe can create superior value for shareholders over the long term.
- **Resilience** – understanding the resilience of the business model through a cycle.
- **Change** – identifying changes within a business that could drive future earnings and cash flow.

As a close-knit investment team, we believe a strong investment-led culture is vital to delivering alpha to our clients. We aim to be highly collaborative and work together as a group to drive results. We embrace diverse perspectives and believe they drive better results. We aim to be dynamic and work through a wide range of investment ideas to source the very best stocks in our universe. Innovation is vital to being ahead of our competition and we believe that accurate use of alternative data tools and the integration of Environmental, Social and Governance (ESG) considerations are an important component of our investment process.

Research is central to the investment process and a key source of alpha for the portfolio. The team has a structured framework in place which includes:

- **Dedicated Research Lead** is responsible for the day-to-day management of the research schedule and for ensuring the investment process functions efficiently. They focus on the investment process, managing our research pipeline and developing our graduate analysts. They also seek to drive best practices in research, integrating broader Fundamental Equity (FE) resource and process for the likes of ESG and data science.
- **'Pod' structure** to ensure senior members of the team can direct others to the most attractive parts of the market and provide 'peer reviews' of research before it is presented to the team.
- **Research pipeline** prioritises research and ensures effective use of team resources.
- **Proprietary Research template** – provides a comprehensive and consistent framework for each stock containing price target and rating.
- **Focused targeted research** – analysts are expected to look for new ideas as well as cover existing holdings, but do not spend time on maintenance research.
- **ALERT (Analysis of Live Earnings & Ratings Trends)** – a tool keeping the team abreast of company earnings momentum changes, sell side recommendation changes, valuation metrics and price movements across portfolio holdings. Used as part of our investment process - invoking ongoing research debate - where portfolio managers maintain buy/sell discretion.

The team has a structured process as follows:

1. **Idea generation:** this primarily derives from meeting companies, their suppliers, competitors and customers. We also meet industry experts and use internal and external data and resources to ensure there is a continuous pipeline of new ideas. This pipeline is managed by our co-heads of research to ensure ideas are timely and relevant.
2. **In-depth company analysis:** this is conducted collaboratively by portfolio managers and analysts within a 'research pod'. It involves meeting company management teams, industry experts, and undertaking financial modelling and ESG integration using our proprietary research template.
3. **Team debate:** analysts present the investment case and recommendation to the whole team in a daily investment meeting where the idea is debated extensively. Each portfolio manager determines whether the recommendation is suitable for their portfolio and determines position sizing and point of purchase (or sale).

The Company is supported by BlackRock's 24-person European Equity team (which includes two data scientists) – one of the largest research teams based in the UK in the European equity market.

The team is able to leverage the firm's global resources to produce proprietary research focusing on high conviction investment ideas. It benefits from exceptional access to networks at BlackRock, external expert networks and, importantly, corporate access, conducting 2,000 company meetings every year. The team also has two dedicated data scientists who are tasked with sourcing and tailoring alternative data inputs into the fundamental research process.

Additionally, we believe BlackRock's global research resource across equities, credit, cash and alternatives, combined with a culture of information sharing, is a distinct advantage. The team benefits from frequent ad-hoc interaction with other BlackRock investment teams, particularly the Strategic, UK, US, Global and Sectors and Thematics equity teams, as well as fixed income and other internal thought leaders. These inputs, combined with the experience and knowledge of the team sector analysts and senior portfolio managers, coupled with our strong external network of research and broker contacts, helps us to identify factor and thematic trends in the market which complement our in-depth company research.

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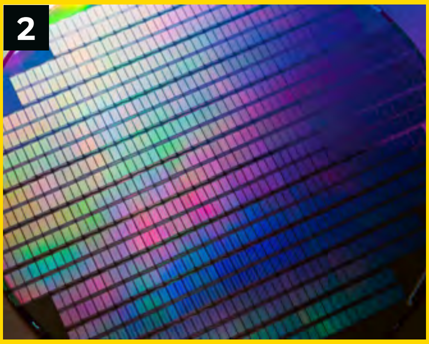

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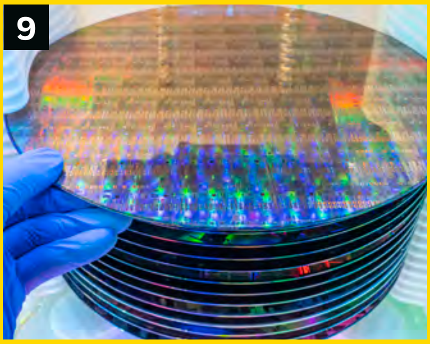

10


PHOTOS COURTESY OF NOVO NORDISK A/S, ASML, RELX, FERRARI S.P.A., SAFRAN, ASM INTERNATIONAL, LINDE.

Ten largest investments

Together, the Company's ten largest investments represented 51.8% of the Company's portfolio as at 31 August 2024 (2023: 53.4%)

1 ► Novo Nordisk (2023: 1st)

Health Care company

Market value: £61,540,000
Share of investments: 8.9%

Novo Nordisk is a Danish multinational pharmaceutical company and a leader in diabetes care. Novo Nordisk is expected to post strong earnings and cash flow growth driven by demand for Ozempic which treats Type 2 diabetes and its weight management drug Wegovy. The latter has recently provided evidence of reducing major adverse cardiovascular events by 20%.

2 ▲ ASML (2023: 3rd)

Technology company

Market value: £49,827,000
Share of investments: 7.2%

ASML is a Dutch company specialising in photolithography systems for the semiconductor industry. The company is at the forefront of technological change, investing in leading research and development to capture the structural growth opportunity coming from growth in mobile devices and microchip components. High barriers to entry within the industry give ASML a protected position with strong pricing power allowing growth in margins.

3 ▲ RELX (2023: 4th)

Consumer Discretionary company

Market value: £44,732,000
Share of investments: 6.5%

RELX is a UK based multinational information and analytics company with high barriers to entry in most of its divisions, including scientific publishing. Their capital light business model enables a high rate of cash conversion with repeat subscription-based revenues. The business benefits from increasing usage of data globally supporting their data analytics business.

4 ▼ LVMH (2023: 2nd)

Consumer Discretionary company

Market value: £36,935,000
Share of investments: 5.3%

LVMH is a French multinational corporation specialising in luxury goods. The group has a strong and well-diversified portfolio of luxury brands ranging from handbags to spirits to cosmetics. LVMH's business model enjoys high barriers to entry due to the heritage, provenance and exquisite quality of its product offering. Its consistent brand investment through economic cycles has helped to spur brand desirability and allowed for significant pricing power.

5 ▲ Ferrari (2023: 11th)

Consumer Discretionary company

Market value: £30,706,000
Share of investments: 4.4%

Ferrari is an Italian luxury sports car manufacturer emphasising exclusivity, performance and quality globally, with a strong focus on innovation and delivering unique driving experiences to its clientele. There is a lot of excitement for 2024 as limited release models are being introduced including the SF90 XX Stradale, followed by the Spider. Both cars are expected to come at higher price points that will be additive to Ferrari's overall revenue mix. Demand will remain strong beyond 2024, with the company's order book already sold out up to 2026.

Ten largest investments

continued

6 ▲ Hermès (2023: 7th)

Consumer Discretionary company

Market value: £28,156,000
Share of investments: 4.1%

Hermès is a French luxury design house specialising in leather goods, lifestyle accessories, home furnishings, perfumery, jewellery, watches and high-end clothing. With good brand management and craftsmanship, Hermès products are supply constrained and the company enjoys strong earnings visibility as some of its most iconic products are sold on allocation via waiting lists. Hermès has been run in a conservative fashion for generations with strategic decisions taken with the longest of timeframes.

7 ▲ Safran (2023: 10th)

Industrials company

Market value: £27,166,000
Share of investments: 3.9%

Safran is a French multinational supplier of aerospace, defence and security systems. The industry has emerged from a heavy investment period and Safran is well-placed to benefit from continued strength in its best in class after-market business and strong execution in its LEAP engine program which should drive growth for the next decade.

8 ▲ Schneider Electric (2023: n/a)

Industrials company

Market value: £26,774,000
Share of investments: 3.9%

Schneider Electric is a French multinational corporation specialising in digital automation and energy management. The group is a global industrial technology leader in electrification, automation and digitization to smart industries, resilient infrastructure, future-proof data centers, intelligent buildings and intuitive homes.

9 ▲ ASM International (2023: 13th)

Technology company

Market value: £26,551,000
Share of investments: 3.8%

ASM International is a Dutch international company that designs and manufactures equipment and process solutions to produce semiconductor devices for wafer processing. The company aims to create sustainable, long-term value for their stakeholders and a degree of recovery in logic/foundry. The company is also set to benefit from the increasing importance of power emerging technologies such as Artificial Intelligence (AI), where we have seen a step change with the roll out of generative AI tools in 2023.

10 ▲ Linde (2023: n/a)

Basic Materials

Market value: £26,276,000
Share of investments: 3.8%

Linde is a global multinational chemical company and, since 2018, domiciled in Ireland and headquartered in the United Kingdom. Linde is the world's largest industrial gas company by market share and revenue, serving customers in the health care, petroleum refining, food, beverage carbonation, fiber-optics, steel making, material handling equipment, chemicals and water treatment industries.

All percentages reflect the value of the holding as a percentage of total investments.
Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 August 2023.

Investments

as at 31 August 2024

	Country of operation	Market value £'000	% of investments
Industrials			
Safran	France	27,166	3.9
Schneider Electric	France	26,774	3.9
Sika	Switzerland	21,723	3.1
Belimo	Switzerland	20,675	3.0
Adyen	Netherlands	19,778	2.9
Atlas Copco	Sweden	16,866	2.4
Kingspan	Ireland	15,810	2.3
Rational	Germany	14,515	2.1
VAT Group	Switzerland	9,252	1.3
Epiroc	Sweden	8,026	1.2
Kone	Finland	3,001	0.4
		183,586	**26.5**
Consumer Discretionary			
RELX	United Kingdom	44,732	6.5
LVMH	France	36,935	5.3
Ferrari	Italy	30,706	4.4
Hermès	France	28,156	4.1
L'Oréal	France	18,438	2.7
		158,967	**23.0**
Technology			
ASML	Netherlands	49,827	7.2
ASM International	Netherlands	26,551	3.8
BE Semiconductor	Netherlands	24,279	3.5
Hexagon	Sweden	11,549	1.7
STMicroelectronics	Switzerland	8,937	1.3
ALTEN Group	France	5,926	0.9
		127,069	**18.4**
Health Care			
Novo Nordisk	Denmark	61,540	8.9
Lonza Group	Switzerland	23,468	3.4
ChemoMetec	Denmark	11,184	1.6
Straumann	Switzerland	10,549	1.5
		106,741	**15.4**
Financials			
Allied Irish Banks	Ireland	25,238	3.6
Partners Group	Switzerland	23,187	3.4
KBC Groep	Belgium	13,151	1.9
Sberbank*	Russia	1	–
		61,577	**8.9**
Basic Materials			
Linde	United States	26,276	3.8
IMCD	Netherlands	21,429	3.1
		47,705	**6.9**

Investments

continued

	Country of operation	Market value £'000	% of investments
Consumer Staples			
Lindt	Switzerland	6,186	0.9
		6,186	**0.9**
Energy			
Lukoil*	Russia	–	–
Total investments		**691,831**	**100.0**

* The investments in Sberbank and Lukoil have been marked down to a nominal value of £0.01 as the secondary listings of depositary receipts of Russian companies have been suspended from trading.

All investments are in ordinary shares unless otherwise stated. The total number of investments held at 31 August 2024 was 34 (31 August 2023: 39).

Industry classifications in the table above are based on the Industrial Classification Benchmark standard for categorisation of companies by industry and sector.

As at 31 August 2024, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

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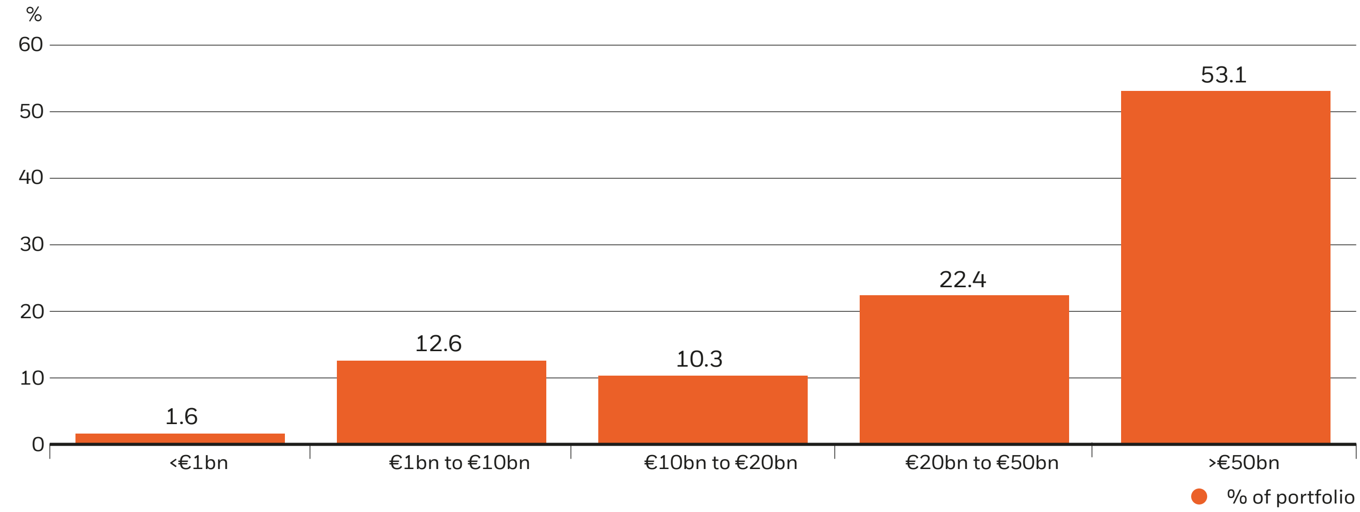
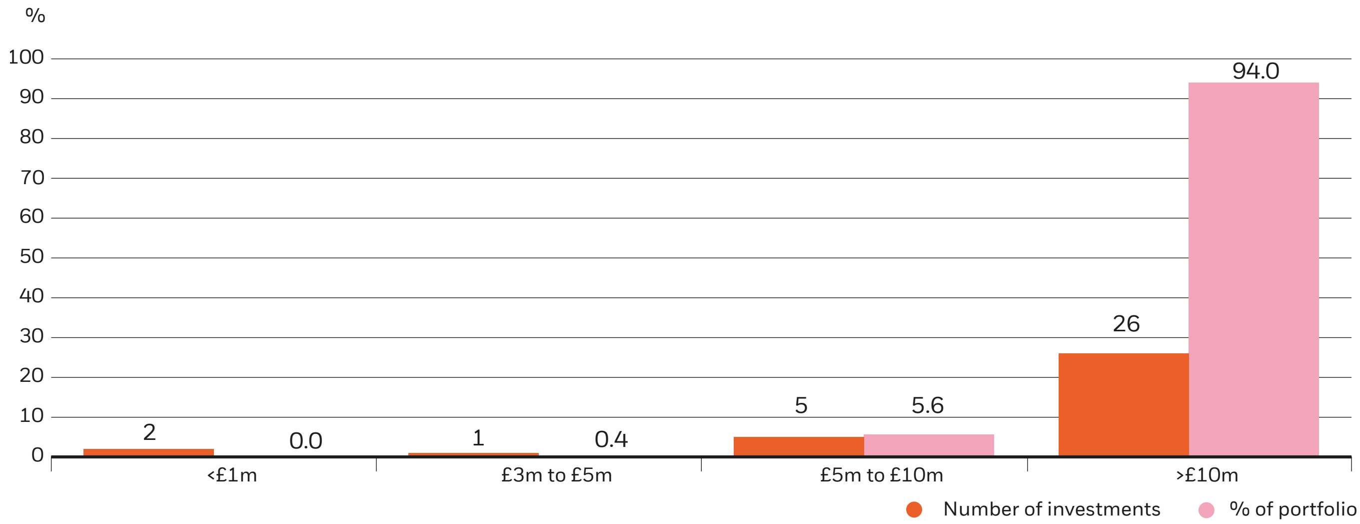
Investment exposure

as at 31 August 2024

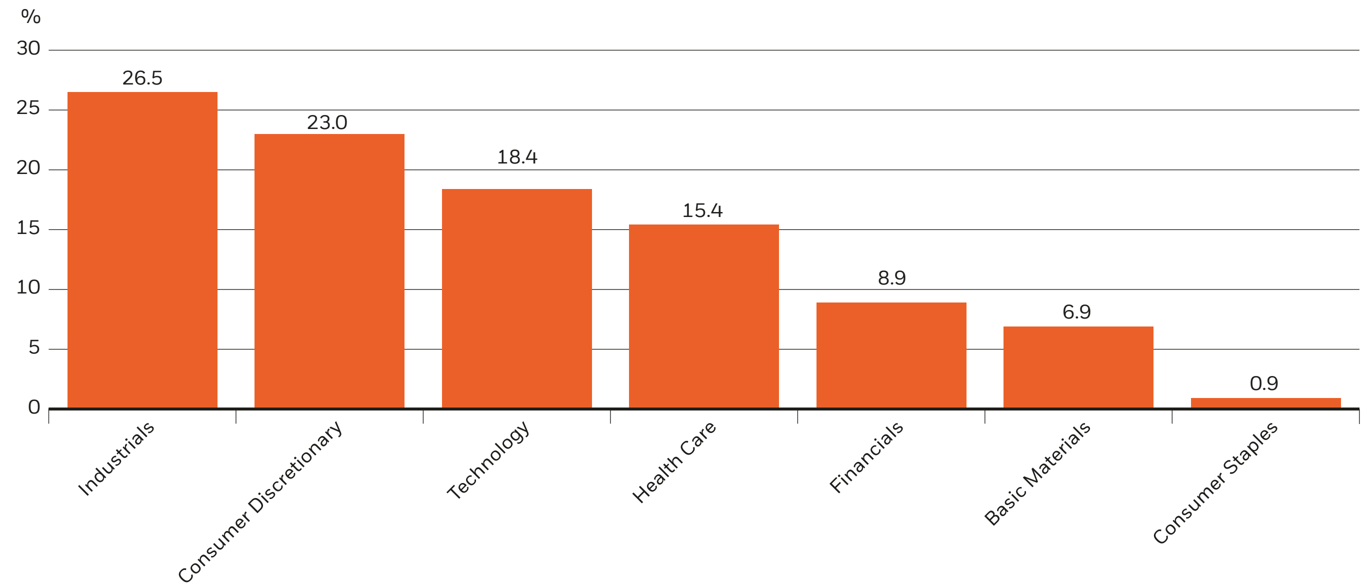
Market capitalisation



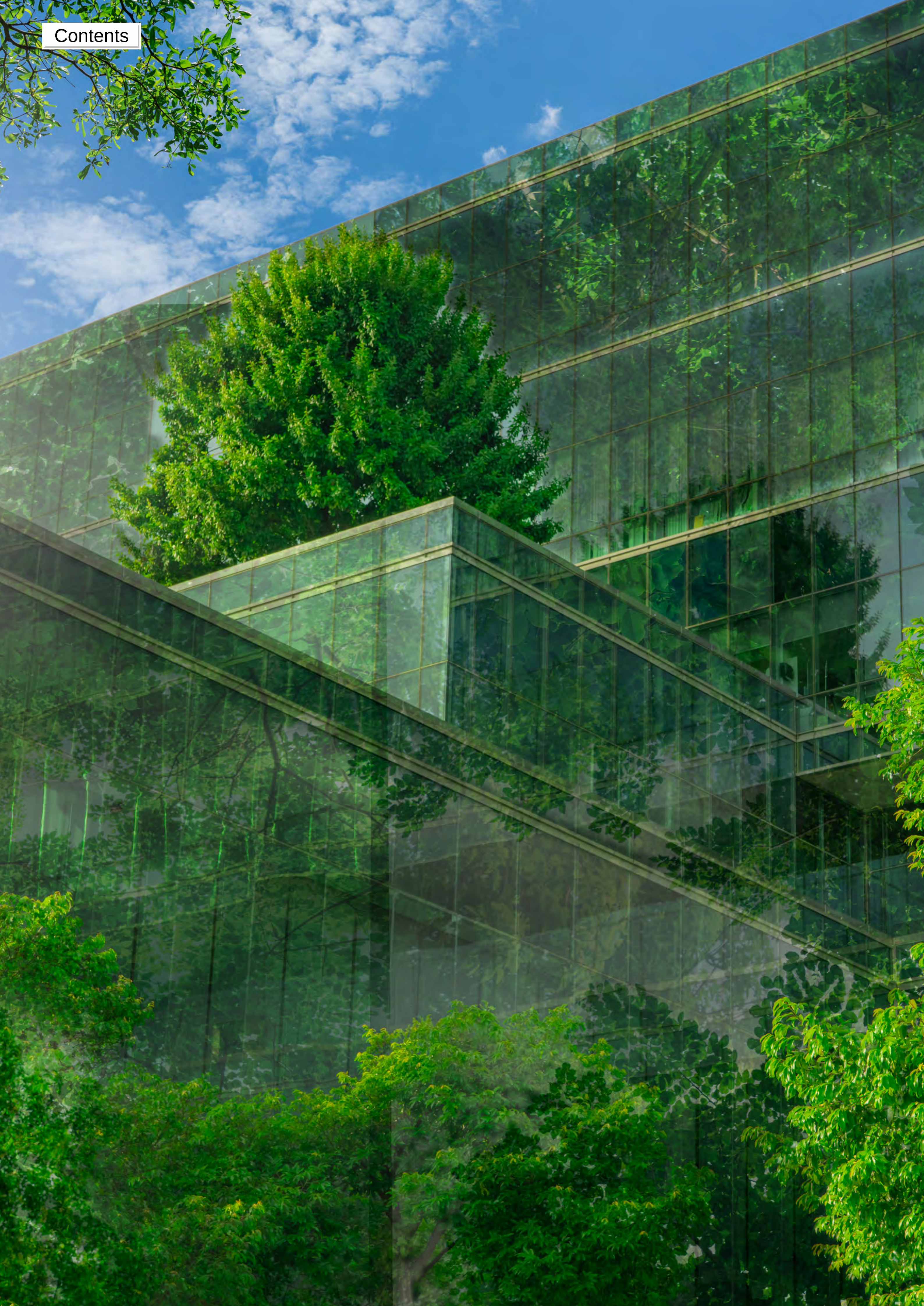
Investment size



Distribution of investments



Source: BlackRock.



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Governance

French digital automation and energy management specialist Schneider Electric was one of the portfolio's ten largest investments at year end. The company plays a key role in emission reduction initiatives due to its solutions that help make public and private buildings more energy efficient.

Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that, as an investment company, the Company has no employees, the Directors are all non-executive and investment management and administration functions are outsourced to the Manager and other external service providers.

The Board

5 full scheduled meetings each year

Five non-executive Directors (NEDs), all independent of the Manager

Chairman: Eric Sanderson

Objectives:
- To determine the Company's strategy including investment policy and investment guidelines;
- To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded;
- To challenge constructively and scrutinise performance of all outsourced activities; and
- To determine the Company's remuneration policy.

Other functions:
- To carry out the duties of a Nomination Committee, including a regular review of the Board's structure and composition, making recommendations for any new Board appointments.

Audit and Management Engagement Committee

2 scheduled meetings each year

Membership: All NEDs

Chair: Ian Sayers

Key objectives:
- To oversee financial reporting;
- To consider the adequacy of the control environment and review the Company's risk register;
- To review the reporting of the auditors and form an opinion on the effectiveness of the external audit process;
- To review the provisions relating to whistleblowing and fraud;
- To ensure that the provisions of the investment management agreement follow industry practice, remain competitive and are in the best interests of shareholders;
- To review the performance of the Manager and Investment Manager; and
- To review other service providers.

Contents

Directors' biographies

Eric Sanderson
Chairman (since November 2016)
Appointed as a Director April 2013

Eric Sanderson is a chartered accountant and a banker and was chief executive of British Linen Bank from 1989 to 1997 and a member of the management board of Bank of Scotland in his role as head of group treasury operations from 1997 to 1999. He was formerly chairman of MyTravel Group PLC, MWB Group Holdings, Dunedin Fund Managers and Schroder UK Mid Cap Fund plc. He is also chairman of JP Morgan Emerging Europe, Middle East & Africa Securities plc and Digital 9 Infrastructure plc.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Peter Baxter
Appointed as a Director April 2015

Peter Baxter has over 35 years' experience in the investment management industry. He is a director of Snowball Impact Management Ltd, a social impact investment organisation and was formally a director of Civitas Social Housing and a trustee of Trust for London. Previously he was chief executive of Old Mutual Asset Managers (UK) Ltd and worked for Schroders and Hill Samuel in a variety of investment roles.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Paola Subacchi
Senior Independent Director (since December 2023)
Appointed as a Director July 2017

Paola Subacchi is Professor and Incoming Chair in Sovereign Debt and Finance, Sciences Po, Paris. She also manages Essential Economics, a small consulting firm in London that specialises in global market trends and economic risk assessment, and advises governments, international organisations and private companies. Previously she was at Queen Mary University of London where she contributed to set up the Queen Mary Global Policy Institute. From 2004 to 2019 she was director of economic research and senior fellow at Chatham House (The Royal Institute of International Affairs) in London.

Attendance record:
Board: 4/5
Audit and Management Engagement Committee: 2/2

Contents

Directors' biographies
continued

Ian Sayers
Audit and Management Engagement Chair (since January 2023) Appointed as a Director February 2022

Ian Sayers is the former Chief Executive of the Association of Investment Companies (AIC), which he became in 2010 on his promotion from Deputy Director General. Prior to that, he was the AIC's Technical Director, advising members on areas such as taxation, accounting, company law and regulation, as well as having a key role in its public affairs activity. Before joining the AIC, he qualified as a Chartered Accountant and Chartered Tax Adviser at Ernst & Young and worked in the funds section of the Investment Management Group, providing compliance and advisory services to investment trusts and their management groups.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Sapna Shah
Appointed as a Director December 2023

Sapna Shah has 20 years of investment banking experience advising UK companies, including listed REITs and investment companies, on IPOs, equity capital market transactions and mergers and acquisitions. She is a non-executive director of The Association of Investment Companies and a senior adviser at Panmure Liberum. Prior to this she held senior investment banking roles at UBS AG, Oriel Securities (now Stifel Nicolaus Europe) and Cenkos Securities (now Cavendish Securities). She is currently a non-executive director of Supermarket Income REIT plc and BioPharma Credit PLC.

Attendance record:
Board: 3/3
Audit and Management Engagement Committee: 1/1

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the Annual General Meeting.

Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 August 2024. The aim of the Strategic Report is to provide shareholders with the information to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

The Chairman's Statement together with the Investment Manager's Report form part of this Strategic Report. The Strategic Report was approved by the Board at its meeting on 5 November 2024.

Principal activity

The Company carries on business as an investment trust and is listed on the London Stock Exchange. Its principal activity is portfolio investment. Investment trusts are pooled investment vehicles which allow exposure to a diversified range of assets through a single investment, thus spreading investment risk.

Investment objective

The Company's objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe. The Company also has the flexibility to invest in any country included in the FTSE World Europe ex UK Index, as well as the freedom to invest in developing countries not included in the index but considered by the Manager and the Directors as part of greater Europe.

Strategy, business model and investment policy

Strategy

The Company invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company and is its governing body. There is a clear division of responsibility between the Board and BlackRock Fund Managers Limited (the Manager). Matters reserved for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing, capital structure, governance, and appointing and monitoring of performance of service providers, including the Manager.

Business model

The Company's business model follows that of an externally managed investment trust. Therefore, the Company does not have any employees and outsources its activities to third-party service providers including the Manager, who is the principal service provider. In accordance with the Alternative Investment Fund Managers' Directive (AIFMD), as implemented, retained and onshored in the UK, the Company is an Alternative Investment Fund (AIF). BlackRock Fund Managers Limited is the Company's Alternative Investment Fund Manager.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager who in turn (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Company delegates fund accounting services to the Manager, which in turn sub-delegates these services to The Bank of New York Mellon (International) Limited (BNY). Other service providers include the Depositary (also BNY) and the Registrar, Computershare Investor Services PLC. Details of the contractual terms with the Manager and the Depositary and more details of arrangements in place governing custody services are set out in the Directors' Report.

Investment policy

The Company's policy is that the portfolio should consist of approximately 30-70 securities and the majority of the portfolio will be invested in larger capitalisation companies, being companies with a market capitalisation of over €5 billion. Up to 25% of the portfolio may be invested in companies in developing Europe. The Company may also invest up to 5% of the portfolio in unquoted investments. However, overall exposure to developing European companies and unquoted investments will not in aggregate exceed 25% of the Company's portfolio.

As at 31 August 2024, the Company held 34 investments. None (2023: none) of the portfolio was invested in developing Europe. The Company had no unquoted investments.

Strategic Report
continued

Investment in developing European securities may be either direct or through other funds, including those managed by BlackRock Fund Managers Limited, subject to a maximum of 15% of the portfolio. Direct investment in Russia is limited to 10% of the Company's assets. Investments may also include depositary receipts or similar instruments representing underlying securities.

The Company also has the flexibility to invest up to 20% of the portfolio in debt securities, such as convertible bonds and corporate bonds. No bonds were held at 31 August 2024. The use of any derivative instruments such as financial futures, options and warrants and the entering into of stock lending arrangements will only be for the purposes of efficient portfolio management.

While the Company may hold shares in other investment companies (including investment trusts), the Board has agreed that the Company will not invest more than 15%, in aggregate, of its total assets in other listed closed-ended investment funds.

In order to comply with the current Listing Rules, the Company will also not invest more than 10% of its gross asset value in other listed closed-ended investment funds which themselves may invest more than 15% of their gross assets in other listed closed-ended investment funds. This restriction does not form part of the Company's investment policy.

The Company achieves an appropriate spread of risk by investing in a diversified portfolio of securities.

The Investment Manager believes that appropriate use of gearing can add value over time. This gearing typically is in the form of an overdraft facility which can be repaid at any time. The level and benefit of any gearing is discussed and agreed regularly by the Board. The Investment Manager generally aims to be fully invested and it is anticipated that gearing will not exceed 15% of net asset value (NAV) at the time of drawdown of the relevant borrowings. At the balance sheet date, the Company had net gearing of 8.0% (2023: 5.1%).

Performance
In the year to 31 August 2024, the Company's NAV per share increased by 16.4% (compared with an increase in the reference index of 15.8%) and the share price rose by 15.5% (all percentages calculated in Sterling terms with dividends reinvested). The Investment Manager's Report includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends
The results for the Company are set out in the Income Statement in the Financial Statements. The total profit for the year, after taxation, was £91,610,000 (2023: total profit, after taxation, of £91,591,000) which is reflected in the increase in the net asset value of the Company. The revenue return amounted to £7,379,000 (2023: £6,920,000) and relates to net revenue earnings from dividends received during the year after adjusting for expenses allocated to revenue.

As explained in the Company's Half Yearly Financial Report, the Directors declared an interim dividend of 1.75p per share (2023: 1.75p). The Directors recommend the payment of a final dividend of 5.25p per share, making a total dividend of 7.00p per share (2023: 6.75p). Subject to approval at the forthcoming Annual General Meeting, the dividend will be paid on 20 December 2024 to shareholders on the register of members at the close of business on 22 November 2024.

Future prospects
The Board's main focus is to achieve capital growth. The future performance of the Company is dependent upon the success of the investment strategy and, to a large extent, on the performance of financial markets. The outlook for the Company is discussed in both the Chairman's Statement and Investment Manager's Report.

Social, community and human rights issues
As an investment trust, the Company has no direct social or community responsibilities or impact on the environment and the Company has not adopted an ESG investment strategy or exclusionary screens. However, the Directors believe that it is important and in shareholders' interests to consider human rights issues and environmental, social and governance factors when selecting and retaining investments. Details of the Company's approach to ESG integration and socially responsible investment is set out on pages 46, 68 and 69.

Modern Slavery Act
As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Directors, gender representation and employees

The Directors of the Company on 31 August 2024 are set out in the Directors' Biographies on pages 31 and 32. The Board consists of three male Directors and two female Directors. The Company's policy on diversity is set out on page 65. The Company does not have any executive employees.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time, and which are comparable to other investment trusts, are set out below. As indicated in footnote 2 to the table below, some of these KPIs fall within the definition of 'Alternative Performance Measures' (APMs) under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 122 to 126.

Additionally, the Board regularly reviews the performance of the portfolio, as well as the net asset value and share price of the Company and compares this against various companies and indices. The Company does not have a benchmark. However, the Board reviews performance and ongoing charges against a peer group of European investment trusts and open-ended funds, as well as the FTSE World Europe ex UK Index.

	As at 31 August 2024	As at 31 August 2023
Net asset value per share	644.60p	560.11p
Share price	601.00p	527.00p
Net asset value total return[1, 2]	16.4%	19.2%
Share price total return[1, 2]	15.5%	17.1%
Discount to net asset value[2]	6.8%	5.9%
Revenue return per share	7.35p	6.85p
Ongoing charges[2, 3]	0.95%	0.98%

1 This measures the Company's net asset value and share price total return, which assumes dividends paid by the Company have been reinvested.

2 Alternative Performance Measures, see Glossary on pages 122 to 126.

3 Ongoing charges represent the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, as a % of average daily net assets.

Principal risks

The Company is exposed to a variety of risks and uncertainties. As required by the 2018 UK Corporate Governance Code (the UK Code), the Board has in place a robust ongoing process to identify, assess and monitor the principal risks and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. A core element of this process is the Company's risk register which identifies the risks facing the Company and assesses the likelihood and potential impact of each risk and the quality of controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment.

The risk register, its method of preparation and the operation of key controls in BlackRock's and third-party service providers' systems of internal control, are reviewed on a regular basis by the Audit and Management Engagement Committee. In order to gain a more comprehensive understanding of BlackRock's and other third-party service providers' risk management processes and how these apply to the Company's business, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairs of the BlackRock investment trusts setting out the results of testing performed in relation to BlackRock's internal control processes. The Audit and Management Engagement Committee also periodically receives and reviews internal control reports from BlackRock and the Company's service providers.

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. For instance, the risk that unforeseen or unprecedented events including (but not limited to) heightened geo-political tensions such as the war in Ukraine and conflict in the Middle East, inflation and the current cost of living crisis has had a significant impact on global markets. The Board has taken into consideration the risks posed to the Company by these events and incorporated them into the Company's risk register. The threat of climate change has also reinforced the importance of more sustainable practices and environmental responsibility.

Strategic Report
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Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

Emerging risks that have been considered by the Board over the year include the impact of climate change, escalating geo-political conflict and technological advances.

The key emerging risks identified are as follows:

Climate change: Investors can no longer ignore the impact that the world's changing climate will have on their portfolios, with the impact of climate change on returns, including climate-related natural disasters, now potentially significant and with the potential to escalate more swiftly than one is able to predict. The Board receives ESG reports from the Manager on the portfolio and the way ESG considerations are integrated into the investment decision-making, so as to mitigate risk at the level of stock selection and portfolio construction.

Artificial Intelligence ('AI'): Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas and with a wide range of applications that have the potential to dislocate established business models and disrupt labour markets, creating uncertainty in corporate valuations. The significant energy required to power this technological revolution will create further pressure on environmental resources and carbon emissions.

Geo-political risk: Escalating geo-political tensions (including, but not limited to tensions in the Middle East and the ongoing war in Ukraine, or deteriorating relations between China and the US/other countries) have a significant negative impact on global markets, with an increasing use of tariffs and domestic regulations making global trade more complex and driving economic fragmentation.

The Board will continue to assess these risks on an ongoing basis. In relation to the UK Code, the Board is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors are set out below.

Counterparty

Principal risk
The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.

Mitigation/Control
Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties.

The Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.

Investment performance

Principal risk
Returns achieved are reliant primarily upon the performance of the portfolio.

The Board is responsible for:

- deciding the investment strategy to fulfil the Company's objective; and
- monitoring the performance of the Investment Manager and the implementation of the investment strategy.

An inappropriate investment strategy may lead to:

- underperformance compared to the reference index and the Company's peer group;
- a reduction or permanent loss of capital; and

- dissatisfied shareholders and reputational damage.

The Board is also cognisant of the long-term risk to performance from inadequate attention to ESG issues and in particular the impact of climate change.

Mitigation/Control

To manage this risk the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on;
- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio;
- monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the investment policy; and
- receives and reviews regular reports showing an analysis of the Company's performance against the FTSE World Europe ex UK Index and other similar indices.

ESG analysis is integrated into the Manager's investment process as set out on pages 46 to 49. This is monitored by the Board.

Legal and regulatory compliance

Principal risk

The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from corporation tax on capital gains on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event, the investment returns of the Company may be adversely affected.

A serious regulatory breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings, or the suspension of the Company's shares which could in turn lead to a breach of the Corporation Tax Act 2010.

Amongst other relevant laws, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the UK Listing Rules, Disclosure Guidance and Transparency Rules, the Sanctions and Anti-Money Laundering Act 2018 and the Market Abuse Regulation.

Mitigation/Control

The Investment Manager monitors investment movements, the level and type of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting.

Compliance with the accounting rules affecting investment trusts are also carefully and regularly monitored.

The Company Secretary, Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. The Board and the Manager also monitor changes in government policy and legislation which may have an impact on the Company.

The Company's Investment Manager, BlackRock, at all times complies with the sanctions administered by the UK Office of Financial Sanctions Implementation, the United States Treasury's Office of Foreign Assets Control, the United Nations, European Union member states and any other applicable regimes.

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Market

Principal risk
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements.

Changes in general economic and market conditions, such as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws and political events can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price.

Market risk includes the potential impact of events which are outside the Company's control, including (but not limited to) heightened geo-political tensions and military conflict, a global pandemic and high inflation.

Companies operating in the sectors in which the Company invests may be impacted by new legislation governing climate change and environmental issues, which may have a negative impact on their valuation and share price.

Mitigation/Control
The Board considers the diversification of the portfolio, asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager.

The Board monitors the implementation and results of the investment process with the Investment Manager.

The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced as a consequence of the COVID-19 pandemic and Russia/Ukraine and Middle East conflicts. Unlike open-ended counterparts, closed-end funds are not obliged to sell down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed-end fund structure to remain invested for the long term enables the portfolio managers to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.

The portfolio managers spend a considerable amount of time understanding the environmental, social and governance (ESG) risks and opportunities facing companies and industries in the portfolio. The Company does not exclude investment in stocks based on ESG criteria, but the portfolio managers consider ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio.

Operational

Principal risk
In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties and is dependent on the control systems of the Manager, the Depositary and Fund Accountant which maintain the Company's assets, dealing procedures and accounting records.

The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these other third-party service providers. There is a risk that a major disaster, such as floods, fire, a global pandemic, or terrorist activity, renders the Company's service providers unable to conduct business at normal operating capacity and effectiveness.

Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records (including cyber security risk) could prevent the accurate reporting and monitoring of the Company's financial position.

Mitigation/Control
Due diligence is undertaken before contracts are entered into with third-party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board.

The Board reviews on a regular basis an assessment of the fraud risks that the Company could potentially be exposed to and also a summary of the controls put in place by the Manager, Depositary, Custodian, Fund Accountant and Registrar specifically to mitigate these risks.

Most third-party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit and Management Engagement Committee for review. The Committee would seek further representations from service providers if not satisfied with the effectiveness of their control environment.

The Company's financial instruments held in custody are subject to a strict liability regime and, in the event of a loss of such financial instruments held in custody, the Depositary must return financial instruments of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control.

The Board reviews the overall performance of the Manager, Investment Manager and all other third-party service providers on a regular basis and compliance with the Investment Management Agreement annually.

The Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of its review of the Company's risk register.

Financial

Principal risk

The Company's investment activities expose it to a variety of financial risks which include interest rate risk, counterparty credit risk and liquidity risk.

Mitigation/Control

Details of these risks are disclosed in note 16 to the Financial Statements, together with a summary of the policies for managing these risks.

Marketing

Principal risk

Marketing efforts are inadequate or do not comply with relevant regulatory requirements. There is a failure to communicate adequately with shareholders or reach out to potential new shareholders resulting in reduced demand for the Company's shares and a widening of the discount.

Mitigation/Control

The Board reviews marketing strategy and initiatives and the Manager is required to provide regular updates on progress. BlackRock has a dedicated investment trust sales team visiting both existing and potential clients on a regular basis. Data on client meetings and issues raised are provided to the Board on a regular basis.

All investment trust marketing documents are subject to appropriate review and authorisation.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve months referred to by the 'Going Concern' guidelines. The Company is an investment trust with the objective of achieving capital growth.

The Directors expect the Company to continue for the foreseeable future and have therefore conducted this review for the period up to the Annual General Meeting in 2029. The Directors believe that five years is an appropriate investment horizon to assess the viability of the Company. This is based on the Company's long-term mandate, the low turnover in the portfolio and the investment holding period investors generally consider while investing in the European sector.

In making an assessment on the viability of the Company, the Board has considered the following:

- the impact of a significant fall in European equity markets on the value of the Company's investment portfolio;
- the ongoing relevance of the Company's investment objective, business model and investment policy in the prevailing market;
- the principal and emerging risks and uncertainties, as set out on the previous pages, and their potential impact;

Strategic Report
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- the level of ongoing demand for the Company's shares;
- the Company's share price discount/premium to NAV;
- the liquidity of the Company's portfolio; and
- the level of income generated by the Company and future income and expenditure forecasts.

The Directors have concluded that there is a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the period of their assessment based on the following considerations:

- the Investment Manager's compliance with the investment objective and policy, its investment strategy and asset allocation;
- the portfolio is liquid and mainly comprises of readily realisable assets, which continue to offer a broad range of investment opportunities for shareholders as part of a balanced investment portfolio;
- the operational resilience of the Company and its key service providers and their ability to continue to provide a good level of service for the foreseeable future;
- the effectiveness of business continuity plans in place for the Company and its key service providers;
- the ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets;
- the Board's discount management policy; and
- the Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions.

In addition, the Board's assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement which can be found on page 53 in the Directors' Report.

Section 172 Statement: promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain in greater detail how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This includes the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

The disclosure that follows covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions. The Board considers the main stakeholders in the Company to be the Manager, Investment Manager and the shareholders. In addition to this, the Board considers investee companies and key service providers of the Company to be stakeholders; the latter comprise the Company's Custodian, Depositary, Registrar and Broker.

Stakeholders

Shareholders

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering long-term capital growth.

Manager and Investment Manager

The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.

Other key service providers

In order for the Company to trade on the London Stock Exchange's (LSE) Main Market for listed securities and generally function as an investment trust with a listing on the official list of the FCA, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external service providers and receives regular reporting from them through the Board and committee meetings, as well as outside of the regular meeting cycle.

Investee companies

Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Manager in respect of meetings with the management of portfolio companies.

Strategic Report
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A summary of the key areas of engagement undertaken by the Board with its key stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out below.

Area of Engagement

Investment mandate and objective

Issue
The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long term. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.

Engagement
The Board worked closely with the Investment Manager throughout the year in further developing investment strategy and underlying policies, not simply for the purpose of achieving the Company's investment objective but in the interests of shareholders and future investors. In addition to the scheduled Board meetings each year, the Board holds a Strategy session which is dedicated to an in-depth review of the Company's strategy in conjunction with key advisers, including the Company's Broker.

The Company does not exclude investment in stocks based on Environmental, Social and Governance (ESG) criteria, but the approach of the portfolio managers to the consideration of ESG factors in respect of the Company's portfolio, as well as engagement with investee companies, is to encourage the adoption of sustainable business practices which support long-term value creation.

Impact
The portfolio activities undertaken by the Investment Manager can be found in their report on pages 9 to 16.

The Investment Manager aims to construct a portfolio that is high conviction and concentrated in nature but diversified by end market exposures.

Details regarding the Company's NAV and share price performance can be found in the Chairman's Statement and in this Strategic Report on page 34.

Shareholders

Issue
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.

Engagement
The Board is committed to maintaining open channels of communication and to engage with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders will have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Investment Manager will also provide a presentation on the Company's performance and the outlook.

The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the Manager's website at www.blackrock.com/uk/brge.

The Board also works closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with shareholders. Unlike trading companies, one-to-one shareholder meetings normally take the form of a meeting with the Portfolio Managers as opposed to members of the Board. The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the portfolio managers.

If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. He may be contacted via the Company Secretary whose details are given on page 117.

Impact

The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable.

Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's Broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager.

The portfolio management team attended a number of professional investor meetings and held discussions with a number of wealth management desks and offices in respect of the Company during the year under review. The portfolio managers also held group webcasts in the year to provide investors with portfolio updates.

Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship activities and receives regular feedback from the Investment Manager in respect of meetings with the management of portfolio companies.

Responsible investing

Issue

Good governance and consideration of sustainable investment are key factors in making investment decisions. Climate change is becoming a defining factor in companies' long-term prospects across the investment spectrum, with significant and lasting implications for economic growth and prosperity.

Engagement

The Company does not exclude investment in stocks based on ESG criteria but the Board believes that responsible investment and sustainability are integral to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager to regularly review the Company's performance, investment strategy and underlying policies to ensure that the Company's investment objective continues to be met in an effective and responsible way in the interests of shareholders and future investors.

The Investment Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as the Investment Manager's engagement with investee companies are kept under review by the Board. The Board also expects to be informed by the Manager of any sensitive voting issues involving the Company's investments.

The Investment Manager reports to the Board in respect of its ESG policies and how these are integrated into the investment process; a summary of BlackRock's approach to ESG is set out on page 46. The Investment Manager's engagement and voting policy is detailed on pages 47, 48 and 52 and on the BlackRock website.

Impact

The Investment Manager believes there is likely to be a positive correlation between strong ESG practices and investment performance over time. Details of the Company's performance in the year are given in the Chairman's Statement on page 5 and the Performance Record on page 4.

Management of share rating

Issue

The Board recognises that it is in the long-term interests of shareholders that shares do not trade at a significant discount or premium to their prevailing NAV. Therefore, where deemed to be in shareholders' long-term interests, the Board may exercise its powers to issue shares or buy back shares with the objective of ensuring that an excessive premium or discount does not arise.

Engagement

The Board monitors the Company's share rating on an ongoing basis and receives regular updates from the Manager and the Company's Broker regarding the level of discount or premium and the drivers behind this.

Strategic Report
continued

The Board believes that the best way of maintaining the share rating at an optimal level over the long term is to create demand for the shares in the secondary market. To this end, the Investment Manager is devoting considerable effort to broadening the awareness of the Company, particularly to wealth managers and to the wider retail market.

In addition, the Board has worked closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with existing shareholders and to attract new shareholders to the Company in order to improve liquidity in the Company's shares and to sustain the share rating of the Company.

Impact
The Board will continue to monitor the Company's premium/discount to NAV and will look to issue, buy back shares and/or operate six monthly tender offers if it is deemed to be in the interests of shareholders as a whole.

The Board decided not to implement a semi-annual tender offer in November 2024 as, over the six months to 31 August 2024, the average discount to NAV (cum income) was 4.9%. It also decided not to implement the May 2024 semi-annual tender offer, as over the six months to 29 February 2024, the average discount to NAV (cum income) was 6.3%. Against a background of volatile market conditions and the Company trading at a narrow discount versus its peers, the Board concluded that it was not in the interests of shareholders to implement the latest semi-annual tender offers.

During the financial year the Company did not reissue any ordinary shares from treasury. The Company bought back 2,762,011 ordinary shares both during the financial year and since the year end (up to close of business on 4 November 2024). As at 4 November 2024 the Company's shares were trading at a discount of 6.8% to the cum income NAV.

Service levels of third-party providers

Issue
The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service, including the Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries; and the Company's Broker in respect of the provision of advice and acting as a market maker for the Company's shares.

Engagement
The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources.

The Board performs an annual review of the service levels of all third-party service providers and concludes on their suitability to continue in their role. The Board receives regular updates from the AIFM, Depositary, Registrar and Broker on an ongoing basis.

The Board works closely with the Manager to gain comfort that relevant business continuity plans are in place and operating effectively for all of the Company's key service providers.

Impact
All performance evaluations were performed on a timely basis and the Board concluded that all key third-party service providers, including the Manager, were operating effectively and providing a good level of service.

The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Registrar, Printer and Broker and is confident that arrangements in place are appropriate.

Board composition

Issue

The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the UK Code, including guidance on tenure and the composition of the Board's committees.

Engagement

During 2023 the Board engaged the services of an external search consultant to identify potential candidates to replace Ms Curling who retired as a Director following the Annual General Meeting on 12 December 2023. The Nomination Committee agreed the selection criteria and the method of selection, recruitment and appointment.

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions of the 2024 evaluation process are given on pages 66 and 67). All Directors stand for re-election by shareholders annually.

Shareholders may attend the Annual General Meeting and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chairman using the details provided on page 117 with any issues.

Impact

As a result of the recruitment process, Ms Sapna Shah was appointed as a Director of the Company following the Annual General Meeting held on 12 December 2023.

As at the date of this report, the Board was comprised of three men and two women. Two Board Directors, Mr Sanderson and Mr Baxter, have a tenure in excess of nine years. The Board has recently retained the services of an external search consultant to identify suitable candidates to replace Mr Sanderson. Board diversity, including gender, is taken into account when establishing recruitment criteria.

Details of each Directors' contribution to the success and promotion of the Company are set out in the Directors' Report on pages 55 and 56 and details of Directors' biographies can be found on pages 31 and 32.

The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in the year under review. Details of the proxy voting results in favour and against individual Directors' re-election at the 2023 Annual General Meeting are given on the Manager's website at www.blackrock.com/uk/brge.

Strategic Report
continued

Environmental, Social and Governance issues and approach

The Company's approach to ESG

Environmental, social and governance (ESG) issues can present both opportunities and risks to long-term investment performance. Whilst the Company does not exclude investment in stocks purely on ESG criteria, material ESG analytics are integrated into the investment process when weighing up the risk and reward benefits of investment decisions and the Board believes that communication and engagement with portfolio companies is important and can lead to better outcomes for shareholders and the environment than merely excluding investment in certain areas.

More information on BlackRock's global approach to ESG integration, as well as activity specific to the BlackRock Greater Europe Investment Trust plc portfolio, is set out below. BlackRock has defined ESG integration as the practice of incorporating financially material E, S and/or G data and information and consideration of sustainability risks into investment decisions with the objective of enhancing risk-adjusted returns. ESG integration does not change the Company's investment objective. More information on sustainability risks may be found in the AIFMD Fund Disclosures document of the Company available on the Company's website at www.blackrock.com/uk/individual/literature/policies/itc-disclosure-blackrock-greater-europe-investment-trust-plc.pdf.

BlackRock's approach to ESG integration

BlackRock believes that sustainability risks, including climate risks, are investment risks. As a fiduciary, BlackRock manages material risks and opportunities that could impact portfolios. Sustainability can be a driver of investment risks and opportunities, and BlackRock incorporates them in its firm wide processes when they are material. This in turn (in BlackRock's view) is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. BlackRock believes that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards a low carbon economy.

BlackRock incorporates into its firmwide processes relevant, financially material information, including financially material data and information related to ESG. BlackRock's investment view is that doing so can provide better risk-adjusted returns for its clients over the long term.

BlackRock's clients have a wide range of perspectives on a variety of issues and investment themes, including sustainable and low-carbon transition investing. Given the wide range of unique and varied investment objectives sought by its clients, BlackRock's investment teams have a range of approaches to considering financially material E, S, and/or G factors. As with other investment risks and opportunities, the financial materiality of E, S and/or G considerations may vary by issuer, sector, product, mandate, and time horizon. Depending on the investment approach, this financially material E, S and/or G data or information may help inform due diligence, portfolio or index construction, and/or monitoring processes of client portfolios, as well as BlackRock's approach to risk management.

BlackRock's ESG integration framework is built upon its history as a firm founded on the principle of thorough and thoughtful risk management. Aladdin, BlackRock's core risk management and investment technology platform, allows investors to leverage financially material E, S and/or G data or information as well as the combined experience of BlackRock's investment teams to effectively identify investment opportunities and investment risks. BlackRock's heritage in risk management combined with the strength of the Aladdin platform enables BlackRock's approach to ESG integration.

BlackRock structures its approach around three main pillars: investment processes, material insights and transparency. These pillars underpin ESG integration at BlackRock and they are supported by equipping BlackRock employees with investment relevant E, S and/or G data, tools, and education.

More information in respect of BlackRock's approach to ESG integration can be found at https://www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf.

BlackRock Investment Stewardship

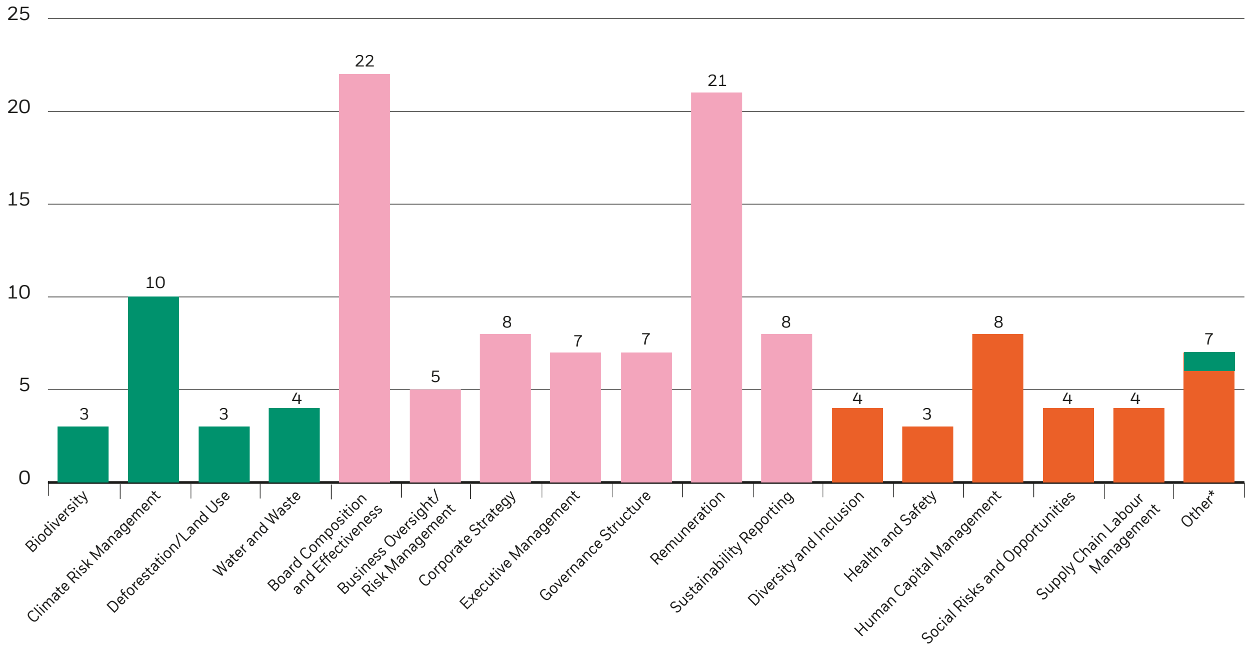
BlackRock Greater Europe Investment Trust plc – BlackRock Investment Stewardship engagement with portfolio companies for the year ended 31 August 2024

The BlackRock portfolio management team has excellent access to company management teams and undertakes about 700 company meetings each year to identify high quality, cash generative businesses with strong management teams that are able to generate growth in a more challenging economic environment. In addition, BlackRock also has a separate Investment Stewardship (BIS) team that is responsible for engaging with investee companies, proxy voting on the behalf of clients when authorised, contributing to industry dialogue on stewardship and reporting on its activities. For the year to 31 August 2024, BIS held 42 company engagements on a range of governance issues with the management teams of 25 companies in the BlackRock Greater Europe Investment Trust portfolio, representing 74% of the portfolio holdings at 31 August 2024. Additional information is set out in the table and charts below and on page 48 as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

	Year ended 31 August 2024
Number of engagements held[1]	42
Number of companies met[1]	25
% of equity investments covered[2]	74
Shareholder meetings voted at[3]	31
Number of proposals voted on[3]	543
Number of votes against management[1]	45
% of total items voted represented by votes against management	6.7

1 Source: BlackRock as at 31 August 2024.
2 Source: BlackRock. As a percentage of total portfolio holdings at 31 August 2024.
3 Source: BlackRock, Institutional Shareholder Services as at 31 August 2024.

Engagement Topics[1]

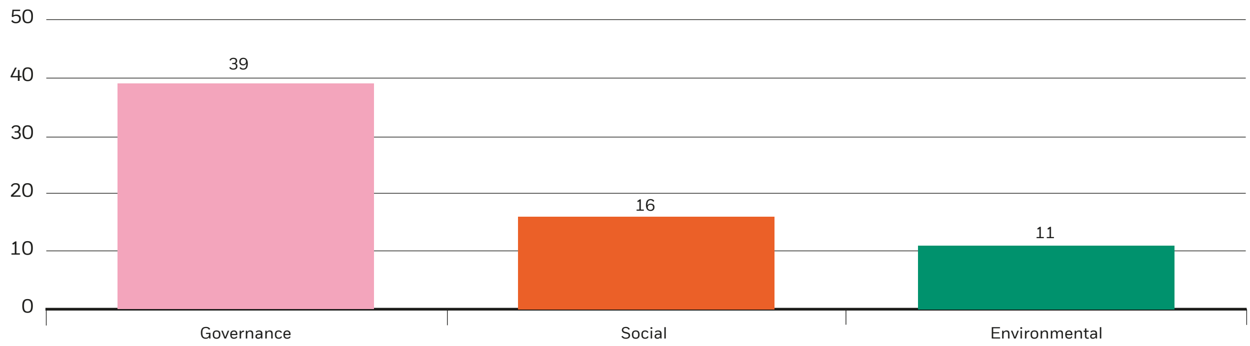


*Other:
Other company impacts on the environment 1; Board gender diversity 1; Business ethics and integrity 2; Community relations 1; Other human capital management issues 1; and Privacy and data security 1.

Strategic Report

continued

Engagement Themes[1]



[1] Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on our vote guidelines and our engagement priorities found here: https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf.

Source: BlackRock.

BlackRock Investment Stewardship

The BlackRock Investment Stewardship (BIS) team takes a long-term approach in its stewardship efforts, reflecting the investment horizons of the majority of BlackRock's clients. BIS' activities include engaging with companies, proxy voting on clients' behalf, contributing to industry dialogue on stewardship, and reporting on its activities. These activities are the main components of the stewardship toolkit and are performed all year long. BIS aims to take a globally consistent approach, while recognising the unique markets and sectors in which companies operate.

BIS benchmark policies

The BIS Global Principles, regional voting guidelines and engagement priorities (collectively, the 'BIS benchmark policies') set out the core elements of corporate governance that guide BIS' efforts globally and within each regional market, including when engaging with companies and voting at shareholder meetings when authorised to do so on behalf of clients. BIS is committed to transparency in terms of disclosure of its stewardship activities on behalf of clients and publishes these benchmark policies to help BlackRock's clients understand its work to advance their interests as long-term investors in public companies. Each year, BIS reviews its benchmark policies and updates them as necessary to reflect changes in market standards and regulations, insights gained over the year through third-party and its own research, and feedback from clients and companies. Additionally, BIS publishes both annual and quarterly reports detailing its stewardship activities, as well as vote bulletins that describe its rationale for certain votes at high-profile shareholder meetings. More detail in respect of BIS reporting can be found at www.blackrock.com/corporate/insights/investment-stewardship.

Global principles

The BIS Global Principles reflect BIS' views on the globally-applicable fundamental elements of corporate governance that contribute to a company's ability to create long-term financial value.

The Global Principles are available on BIS' website: https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf.

Regional voting guidelines

The BIS regional voting guidelines provide context on local market rules and norms within the framework of BIS' overarching global corporate governance principles. The regional voting guidelines help provide clients, companies, and others guidance on BIS' position on common voting matters in each market. BIS' regional voting guidelines are available on its website: https://www.blackrock.com/corporate/insights/investment-stewardship#stewardship-policies.

Engagement priorities

The BIS engagement priorities are the five themes on which BIS most frequently engages with companies, where they are relevant and a source of material business risk or opportunity. The engagement priorities are available on BIS' website: https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf.

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework. BlackRock recognises that reporting to these standards requires significant time, analysis, and effort. BlackRock's 2023 TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2023-blkinc.pdf.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
5 November 2024

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 August 2024.

Status of the Company

The Company is domiciled in the United Kingdom. The Company is a public company limited by shares and is also an investment company under Section 833 of the Companies Act 2006 and operates as such. It is not a close company and has no employees.

The Company has been approved by HM Revenue & Customs (HMRC) as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of, the Alternative Investment Fund Managers' Directive (AIFMD) as implemented, retained and onshored in the UK. The Company is governed by the provisions of the UK Alternative Investment Fund Managers Regulations 2013. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the Financial Conduct Authority (FCA). Further details are set out in the AIFMD disclosures section and in the notes to the Financial Statements.

The Company's ordinary shares are eligible for inclusion in the stocks and shares component of an Individual Savings Account (ISA).

Information to be disclosed in accordance with Listing Rule 9.8.4 (information to be included in Annual Report and Financial Statements)

Disclosures in respect of how the Company has complied with Listing Rule 9.8.4 are set out on page 120.

Financial Conduct Authority (FCA) Regulation of 'non-mainstream pooled investments', MiFID II 'complex investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the Conduct of Business Sourcebook.

Consumer Duty value assessment

The FCA's Consumer Duty rules (published in July 2022) comprise a fundamental component of the FCA's consumer protection strategy and aim to improve outcomes for retail customers across the entire financial services industry through the assessment of various outcomes, one of which is an assessment of whether a product provides value. Under the Consumer Duty, the Manager is the product 'manufacturer' of the Company and is required to conduct this assessment of value on an annual basis.

The Manager has developed an assessment methodology that takes into consideration a wide range of factors, including the quality of services delivered, the performance of the Company (against both benchmark and peers), the limitations that are part of the product structure, the total costs associated with the product (including management fees and entry and exit fees as applicable to the Company). The Manager also considered whether all consumers, including vulnerable consumers, were able to receive fair value from the product. The Manager has performed this assessment in the year under review and has concluded that the Company is providing value.

The Board have reviewed the Manager's assessment methodology to gain an understanding of the basis used and no concerns were identified with either the assessment method or the outcome of the assessment.

The Common Reporting Standard

Tax legislation under the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. The Company has 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. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders, excluding those whose shares are held in CREST, entered on to the share register, will be sent a certification form for the purposes of collecting this information.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018, since retained in the UK by the European Union (Withdrawal) Act 2018. The Board has sought and received assurances from its third-party service providers that they have taken appropriate steps to ensure compliance with the regulation.

Shareholder Rights Directive II

The Shareholder Rights Directive II took effect from 10 June 2019 with some transitional provisions. It encourages long-term shareholder engagement and transparency between companies and shareholders. In substantive terms the changes were small for investment companies and the majority of requirements apply to the Company's remuneration policy and disclosure of processes, as well as related party transactions. There are also additional rules for Alternative Investment Fund Managers and proxy advisers.

Dividends

Details of dividends paid and payable in respect of the year are set out in the Chairman's Statement.

Investment management and administration

BlackRock Fund Managers Limited (BFM, AIFM or the Manager) was appointed as the Company's AIFM with effect from 2 July 2014. BlackRock Investment Management (UK) Limited (BIM (UK) or Investment Manager) acts as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year.

The management contract is terminable by either party on six months' notice. The Board continues to be independent from the AIFM. The agreement provides the appropriate balance between the Board's control over the Company, its investment policies and compliance with regulatory obligations. The AIFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to the Investment Manager.

The AIFM receives an annual management fee which is calculated based on 0.85% of net asset value on net assets up to £350 million and 0.75% per annum of net asset value on net assets thereafter on the last day of each month. The Company does not have any performance fee arrangements in place. Where the Company invests in other investments or cash funds managed by BIM (UK), any underlying fee charged is rebated. The management fee is charged on the Base Management Fee Net Asset Value, which is the net asset value of the Company on the last business day of the calendar month, adjusted by adding all dividends declared by the Company in respect of which shares have gone 'ex div' in that calendar month. No penalty on termination of the investment management contract would be payable by the Company in the event that six months' written notice is given to the Manager. There are no provisions relating to the payment of fees in lieu of notice.

The Company contributes to a focused investment trust sales and marketing initiative operated by BlackRock on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represents a budget of up to 0.025% per annum of its net assets (£602.1 million as at 31 December 2023) and this contribution is matched by BIM (UK). In addition, a budget of a further £45,000 has been allocated for Company specific sales and marketing activity. Total fees paid or payable for these services for the year ended 31 August 2024 amounted to £157,000 (excluding VAT) (2023: £97,000). The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

Directors' Report
continued

BFM and BIM (UK) are subsidiaries of BlackRock Inc., which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm.

Appointment of the Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board has concluded that the continuing appointment of the Manager as AIFM, and the delegation of investment management services to the Investment Manager on the terms disclosed above, is in the interests of shareholders as a whole given their proven track record in successfully investing in Europe.

Depositary and Custodian

The AIFMD requires that AIFs such as the Company have an AIFMD-compliant depositary. The Company appointed The Bank of New York Mellon Trust & Depositary (UK) Limited (BNYTD) in this role effective from 2 July 2014. With effect from 1 November 2017, the role of the Depositary was transferred, by operation of a novation agreement, from BNYTD to its parent company, The Bank of New York Mellon (International) Limited (BNY or the Depositary).

The Depositary's duties and responsibilities are outlined in the investment fund legislation (as defined in the FCA AIF Rulebook). The main role of the Depositary under the AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring the net asset value of the Company's shares is calculated appropriately in accordance with the relevant regulations and guidance. The Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depositary receives a fee payable at 0.0095% per annum of the net assets of the Company. The Company has appointed the Depositary in a tripartite agreement to which BFM as AIFM is also a signatory. The Depositary is also liable for the loss of financial instruments held in custody.

Custody services in respect of the Company's assets have been delegated by the Depositary to the Asset Servicing division of BNY. BNY receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions (including tender offers), dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act. The Board has recently undertaken a visit to the Registrar's Bristol offices to gain a greater insight of their operations and the services they provide to our shareholders.

The Registrar receives a fixed fee each year, plus disbursements and VAT for the maintenance of the register. Fees in respect of corporate actions and other services are negotiated on an arising basis.

Change of control

There are no agreements which the Company is party to that might be affected by a change of control of the Company.

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager by BFM. BIM (UK)'s approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BIM (UK) believes that sound corporate governance practices by companies can contribute to their long-term financial performance and thus to better risk adjusted returns. BIM (UK)'s proxy voting process is led by the BlackRock Investment Stewardship (BIS) team, located in nine offices around the world. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better informed dialogue with companies. In addition to its own dedicated staff, the BIS team draws upon the expertise of BIM (UK)'s portfolio managers, researchers and other internal and external resources globally.

During the year under review, the Investment Manager voted on 543 proposals at 31 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, but did not support 33 (6.1%) resolutions and abstained from voting on 12 (1.8%) resolutions. Most of the votes against were due to poorly structured remuneration arrangements and concerns about board quality and effectiveness.

Principal risks

The key risks faced by the Company are set out in the Strategic Report.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and is financially sound.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from these assets or, if necessary, the sale of these assets. The portfolio mainly comprises readily realisable assets which can be sold to meet funding requirements if necessary. As at 1 November 2024, 100% of the portfolio was estimated as being capable of being liquidated within three days. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft facility shall at no time exceed £75 million or 15% of the Company's net asset value at the time of drawdown of the relevant borrowings (whichever is lower) and this covenant was complied with during the year. Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements and that the Company has adequate resources to continue in operational existence for the period to 30 November 2025, being a period of at least 12 months from the date of approval of these financial statements. Ongoing charges for the year ended 31 August 2024 were approximately 0.95% of net assets.

A statement on the longer-term viability of the Company is considered in the Viability Statement on pages 39 and 40.

Directors

The Directors of the Company as at 31 August 2024 and their biographies are set out on pages 31 and 32. Details of their interests in the ordinary shares of the Company are set out in the Directors' Remuneration Report. All of the Directors held office throughout the year under review and up to the date of signing the financial statements.

Although the Company's Articles of Association require that one third of Directors retire and seek re-election at intervals of no more than three years, the Board has resolved that all of the Directors should be subject to re-election on an annual basis. Accordingly, all of the Directors who held office throughout the year will offer themselves for re-election at the Annual General Meeting, with the exception of Ms Shah who will be seeking election, having been appointed after the Annual General Meeting in 2023. The Board has considered the positions of the retiring Directors as part of the evaluation process and believes that it would be in the Company's best interests for the Directors to be proposed for re-election at the forthcoming Annual General Meeting, given their material level of contribution and commitment to the role.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on pages 66 and 67, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election. More details in respect of the skills and experience each Director brings to the Board are set out on page 56.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors has a service contract with the Company. No Director is entitled to compensation for loss of office on the takeover of the Company.

Directors' liability insurance and Directors' indemnity

The Company has maintained appropriate Directors' and Officers' liability insurance cover throughout the year. In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour. The Company has entered into Deeds of Indemnity with Directors individually which are available for inspection at the Company's registered office and will also be available at the Annual General Meeting. The indemnity has been in force during the financial year and up to the date of approval of the financial statements.

Directors' Report
continued

Conflicts of interest
The Board has put in place a framework in order for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors are required to notify the Company Secretary of any situations or potential situations where they consider that they have or may have a direct or indirect interest, or duty that conflicted or possibly conflicted with the interests of the Company. All such situations are reviewed by the Board and, where appropriate, duly authorised. Directors are also made aware at each meeting that there remains a continuing obligation to notify the Company Secretary of any new situations that may arise, or any changes to situations previously notified. It is the Board's intention to continue to review all notified situations on a regular basis.

Directors' Remuneration Report and Policy
The Directors' Remuneration Report is set out on pages 58 to 61. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's forthcoming Annual General Meeting. The Company is also required to put the Directors' remuneration policy to a binding shareholder vote every three years. The remuneration policy was last put to shareholders at the Annual General Meeting in 2023, therefore an ordinary resolution to approve the policy on pages 62 and 63 will be put to shareholders at the Company's Annual General Meeting in 2026.

Substantial share interests
No shareholders have declared a notifiable interest in the Company's voting rights.

Share capital
Full details of the Company's issued share capital are given in note 14 to the Financial Statements. Details of the voting rights in the Company's ordinary shares as at the date of this report are given in note 16 to the Notice of Annual General Meeting.

The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights or the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company. At 31 August 2024, the Company's issued share capital was 99,332,161 ordinary shares, excluding 18,596,777 shares held in treasury.

Tender offers
On 21 March 2024 the Board announced that it would not be implementing the May semi-annual tender offer. Over the six months to 29 February 2024, the Company's shares traded at an average discount to NAV (cum income) of 6.3% compared to a discount of 2.0%, the price at which any tender offer would be made. It was also announced on 24 September 2024 that the Board had decided not to implement a semi-annual tender offer in November 2024. Over the six-month period to 31 August 2024, the average discount to NAV (cum income) was 4.9% and the Company was trading at the narrowest discount within its peer group. The Board therefore concluded that it was not in the interests of shareholders as a whole to implement the semi-annual tender offers.

The current tender offer authority will expire on 31 January 2025 and the Directors are proposing that their authority to make further regular tender offers be renewed at the forthcoming Annual General Meeting.

Share repurchases
The Company has authority to purchase ordinary shares in the market to be held in treasury or for cancellation. During the year the Company bought back 1,668,000 ordinary shares at an average price of 613.13p per share, at an average discount of 5.4%, for a total cost of £10,227,000. Since the year end and up to 4 November 2024, a further 1,094,011 ordinary shares have been repurchased for a total cost of £6,330,000.

The latest buy back authority was granted to Directors on 12 December 2023 and expires at the conclusion of the Annual General Meeting on 10 December 2024. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

Share issues
During the year, the Company did not reissue or allot any ordinary shares.

The Directors are proposing that their authority to issue new ordinary shares or sell shares from treasury be renewed at the forthcoming Annual General Meeting.

Treasury shares

At the 2023 Annual General Meeting the Company was authorised to repurchase ordinary shares into treasury for reissue or cancellation at a future date. A resolution to renew this authority will again be put to shareholders at the forthcoming Annual General Meeting.

Treasury shares will only be reissued at a premium to NAV. There is no limit to the number of shares which can be held in treasury. The use of treasury shares should assist the Board in the objective of providing a discount management mechanism and enhancing the NAV of the Company's shares.

Streamlined energy and carbon reporting (SECR) statement: Greenhouse gas (GHG) emissions and energy consumption disclosure

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

As an investment company, the Company does not need to report against the Task Force on Climate-related Financial Disclosures (TCFD) framework. However, BlackRock reports detailed information about its management of climate-related risks and opportunities across its business in its TCFD-aligned reports. BlackRock's latest TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2023-blkinc.pdf.

Articles of Association

Any amendments to the Company's Articles of Association must be made by special resolution.

Annual General Meeting

The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents (but not the personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of this year's Annual General Meeting consists of 16 resolutions. Resolutions 1 to 12 are proposed as ordinary resolutions and resolutions 13 to 16 are being proposed as special resolutions.

Resolution 1 – Approval of the Annual Report and Financial Statements

This resolution seeks shareholder approval of the Annual Report and Financial Statements for the year ended 31 August 2024 and the auditors' report thereon.

Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the remuneration policy as set out in the Directors' Remuneration Policy on pages 62 and 63.

Resolution 3 – Approval of a final dividend

Resolution 3 seeks shareholder approval of a final dividend of 5.25 pence per share for the year ended 31 August 2024.

Resolutions 4 to 8 – Re-election and election of Directors

Resolutions 4 to 8 relate to the re-election and election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election continues to be effective and that each Director demonstrates commitment to their role. The biographies of the Directors are set out on pages 31 and 32. The skills and experience that each Director brings to the Board for the long-term sustainable success of the Company are set out below.

Directors' Report

continued

Resolution 4 relates to the re-election of Mr Peter Baxter who was appointed in April 2015. Mr Baxter brings over thirty years of investment experience to the Board, having served as chief executive of Old Mutual Asset Managers (UK) Ltd, as well as in a variety of investment roles. Having served on the Financial Reporting Council's Conduct Committee, he brings detailed knowledge in promoting high quality corporate reporting and recently served as a non-executive director on another investment trust board.

Resolution 5 relates to the re-election of Mr Eric Sanderson who was appointed in April 2013. Mr Sanderson, who acts as Chairman, brings leadership skills and much in-depth knowledge, expertise and experience to the Board having held a number of non-executive board positions. He is a qualified chartered accountant and brings this skill set to his role as a member of the Company's Audit and Management Engagement Committee. He has detailed knowledge of the investment trust industry and serves as chairman on another investment trust board.

Resolution 6 relates to the re-election of Dr Paola Subacchi who was appointed in July 2017 and was appointed Senior Independent Director in December 2023. She is an economist and is also Adjunct Professor at the University of Bologna, where she teaches a course on the economics of Europe. Previously, she was director of International Economics Research at the Royal Institute of International Affairs (Chatham House). She brings deep knowledge of Europe, including its governance and institutions.

Resolution 7 relates to the re-election of Mr Ian Sayers who was appointed in February 2022 and also chairs the Company's Audit and Management Engagement Committee. Mr Sayers was, until recently, the chief executive of The Association of Investment Companies and has a wide and in-depth knowledge of the commercial, technical, regulatory and governance issues facing investment companies. He also has extensive contacts with all stakeholders in the sector, including political and regulatory audiences, the media, management groups, brokers, proxy voting agencies and professional advisers.

Resolution 8 relates to the election of Ms Sapna Shah who was appointed on 12 December 2023. Ms Shah has over 20 years' investment banking experience, as well as extensive experience advising companies on IPOs, equity capital market transactions and mergers and acquisitions. She is currently a non-executive director of The Association of Investment Companies and has an in-depth knowledge of investment companies through her various investment banking roles, both past and present.

Resolutions 9 and 10 – Re-appointment of the external auditors and the auditors' remuneration

These resolutions relate to the re-appointment and remuneration of the Company's auditors. The Company, through its Audit and Management Engagement Committee, has considered the independence and objectivity of the external auditors and is satisfied that the auditors remain independent. Further information in relation to the assessment of the auditors' independence can be found on page 75.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 11 – Directors' Remuneration

At present, Article 105 which deals with Directors' remuneration, sets an aggregate limit of £200,000 per annum on Directors' fees. The Board is proposing as an ordinary resolution that the aggregate limit on Directors' fees be increased to £300,000 per annum. This will provide for an overlap of Directors upon retirement and replacement in accordance with the Company's succession plan. The increase in the aggregate limit would also facilitate any future increase in Directors' fees to reflect market trends and to ensure that the remuneration of the Directors is sufficient to attract and retain Directors with suitable knowledge and experience. The Board notes that the current limit on the total level of Directors' remuneration has been in place since 2004, when the Company was launched. Since this point in time, the Company has grown in size and the demands on Directors' time and involvement has materially increased, not least in response to a significant increase in the legislative and regulatory requirements that the Company must comply with. Full details of the fees paid to Directors are set out in the Directors' Remuneration Report on pages 58 to 61.

Resolution 12 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £9,823.81 which is equivalent to 9,823,815 ordinary shares of 0.1p each and represents 10% of the current issued ordinary share capital excluding treasury shares. The Directors will use this authority when it is in the best interests of the Company to issue shares for cash. This authority will expire at the conclusion of next year's Annual General Meeting, unless renewed prior to that date at an earlier general meeting.

Resolution 13 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 13 empowers the Directors to (i) allot new shares for cash and; (ii) to sell shares held by the Company in treasury, in each case otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £9,823.81 which is equivalent to 9,823,815 ordinary shares of 0.1p each and represents 10% of the Company's issued ordinary share capital excluding treasury shares at the date of this notice. For the avoidance of doubt, the powers in limbs (a) and (b) of Resolution 13 are cumulative. Unless renewed at a general meeting prior to such time, these authorities will expire at the conclusion of the Annual General Meeting of the Company to be held in 2025.

Resolution 14 – Authority to buy back ordinary shares

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own ordinary shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

Under the Listing Rules of the Financial Conduct Authority, the maximum price payable by the Company for each ordinary share is the higher of (i) 105% of the average of the middle market quotations of the ordinary shares for the five dealing days prior to the date of the market purchase and (ii) the higher of the price quoted for (a) the last independent trade and (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out. In making purchases, the Company will deal only with member firms of the London Stock Exchange.

The Directors are seeking authority to purchase up to 14,725,898 ordinary shares (being 14.99% of the ordinary shares in issue at the date of this report) or, if less, 14.99% of the ordinary shares as at 10 December 2024. This authority, unless renewed at an earlier general meeting, will expire at the conclusion of next year's Annual General Meeting in 2025.

Resolutions 15 and 16 – Regular tender offers

Resolutions 15 and 16 seek shareholder approval to renew the authorities to operate the semi-annual tender offers in accordance with the terms and conditions of the Company's regular tender offers. The Directors are seeking authority to purchase up to a maximum of 20% of the ordinary shares in issue at each relevant tender offer date. The authorities, if renewed, will expire on 31 July 2025 and 31 January 2026.

Recommendation

The Board considers that each of the resolutions is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings.

Corporate governance

Full details are given in the Corporate Governance Statement. The Corporate Governance Statement forms part of this Directors' Report.

Audit information

As required by Section 418 of the Companies Act 2006, the Directors who held office at the date of this report each confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and resolutions proposing their re-appointment and authorising the Audit and Management Engagement Committee to determine their remuneration for the ensuing year will be submitted at the Annual General Meeting.

The Directors' Report was approved by the Board at its meeting on 5 November 2024.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
5 November 2024

Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 31 August 2024 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006.

The Remuneration Report comprises a remuneration policy report and a remuneration policy implementation report. The remuneration policy report is subject to a triennial binding shareholder vote and will be put to shareholders for approval at the 2026 Annual General Meeting. The remuneration policy implementation report is subject to an annual advisory vote.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 80 to 85.

Statement by the Chairman

The Board's policy on remuneration is set out on pages 62 and 63. A key element of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company, whilst also reflecting the time commitment and responsibilities of the role. The basis of determining the level of any increase in Directors' remuneration and the Board's policy on remuneration is set out in the Directors' Remuneration Report.

The Board's remuneration is considered annually and was last reviewed in July 2024. Following this review, it was agreed that effective from 1 September 2024, the fees of the Chairman would increase from £46,500 to £49,000, the Chair of the Audit and Management Engagement Committee from £37,000 to £39,000 and for the other Directors from £31,500 to £33,500. The Senior Independent Director receives an additional fee of £1,000. Prior to this, Directors' fees were last increased on 1 September 2023.

No discretionary fees have been paid to Directors during the year or previous year and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration Committee

The Board as a whole fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. It is not considered necessary to have a separate Committee as the Company's Directors are all non-executive and independent of the Manager. No advice or services were provided by any external agencies or third-parties in respect of remuneration levels.

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 August 2024 and 31 August 2023.

	Year ended 31 August 2024			Year ended 31 August 2023		
Directors	**Fees**	**Taxable benefits[1]**	**Total**	**Fees**	**Taxable benefits[1]**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Eric Sanderson (Chairman)	46,500	3,464	49,964	44,000	–	44,000
Peter Baxter[2]	31,500	–	31,500	31,667	–	31,667
Davina Curling[3]	9,260	185	9,445	30,833	1,204	32,037
Paola Subacchi (Senior Independent Director)[4]	32,393	–	32,393	30,000	–	30,000
Ian Sayers (Chair of the Audit and Management Engagement Committee)[5]	37,000	2,385	39,385	33,333	1,810	35,143
Sapna Shah[6]	22,750	72	22,822	–	–	–
Total	**179,403**	**6,106**	**185,509**	**169,833**	**3,014**	**172,847**

[1] Taxable benefits relate to travel and subsistence costs.
[2] Chairman of the Audit and Management Engagement Committee to 31 December 2022.
[3] Retired as Senior Independent Director and as a Director with effect from 12 December 2023.
[4] Appointed as Senior Independent Director with effect from 12 December 2023.
[5] Appointed as Chair of the Audit and Management Engagement Committee with effect from 1 January 2023.
[6] Appointed as Director on 12 December 2023.

The information in the above table has been audited.

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 August 2024, fees of £15,000 (2023: £14,000) were outstanding to Directors in respect of their annual fees. The Directors received no variable remuneration. No discretionary payments were made in the year to 31 August 2024 (2023: none). No payments for loss of office were made and no payments were made to former directors.

As the Company has no employees, the table on the previous page also comprises the total remuneration costs and benefits paid by the Company.

Relative importance of spend on remuneration

To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the Company's total income, dividend distributions and share buy backs. As the Company has no employees, no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

	2024 £'000	2023 £'000	Change £'000
Directors' total remuneration	186	173	+13
Total dividends paid and payable	6,910	6,808	+102
Total revenue income	11,969	10,699	+1,270
Buy back of ordinary shares after costs	-10,227	-3,014	-7,213

Annual percentage change in Directors' remuneration

The following table sets out the annual percentage change in Directors' fees for the past five years:

	31 August 2024	31 August 2023	31 August 2022	31 August 2021	31 August 2020
Eric Sanderson	5.7%	3.5%	3.7%	0.0%	7.9%
Peter Baxter[1]	-0.5%	-5.5%	3.1%	0.0%	4.8%
Davina Curling[2]	n/a	6.3%	3.6%	0.0%	3.7%
Paola Subacchi[3]	8.0%	3.4%	3.6%	0.0%	3.7%
Ian Sayers[4]	11.0%	n/a	n/a	n/a	n/a
Sapna Shah[5]	n/a	n/a	n/a	n/a	n/a

1 Chairman of the Audit and Management Engagement Committee to 31 December 2022.

2 Appointed as Senior Independent Director on 1 November 2022. Retired as Senior Independent Director and a Director on 12 December 2023.

3 Appointed as Senior Independent Director on 12 December 2023.

4 Appointed as a Director on 10 February 2022 and appointed as Chair of the Audit and Management Engagement Committee on 1 January 2023.

5 Appointed as a Director on 12 December 2023.

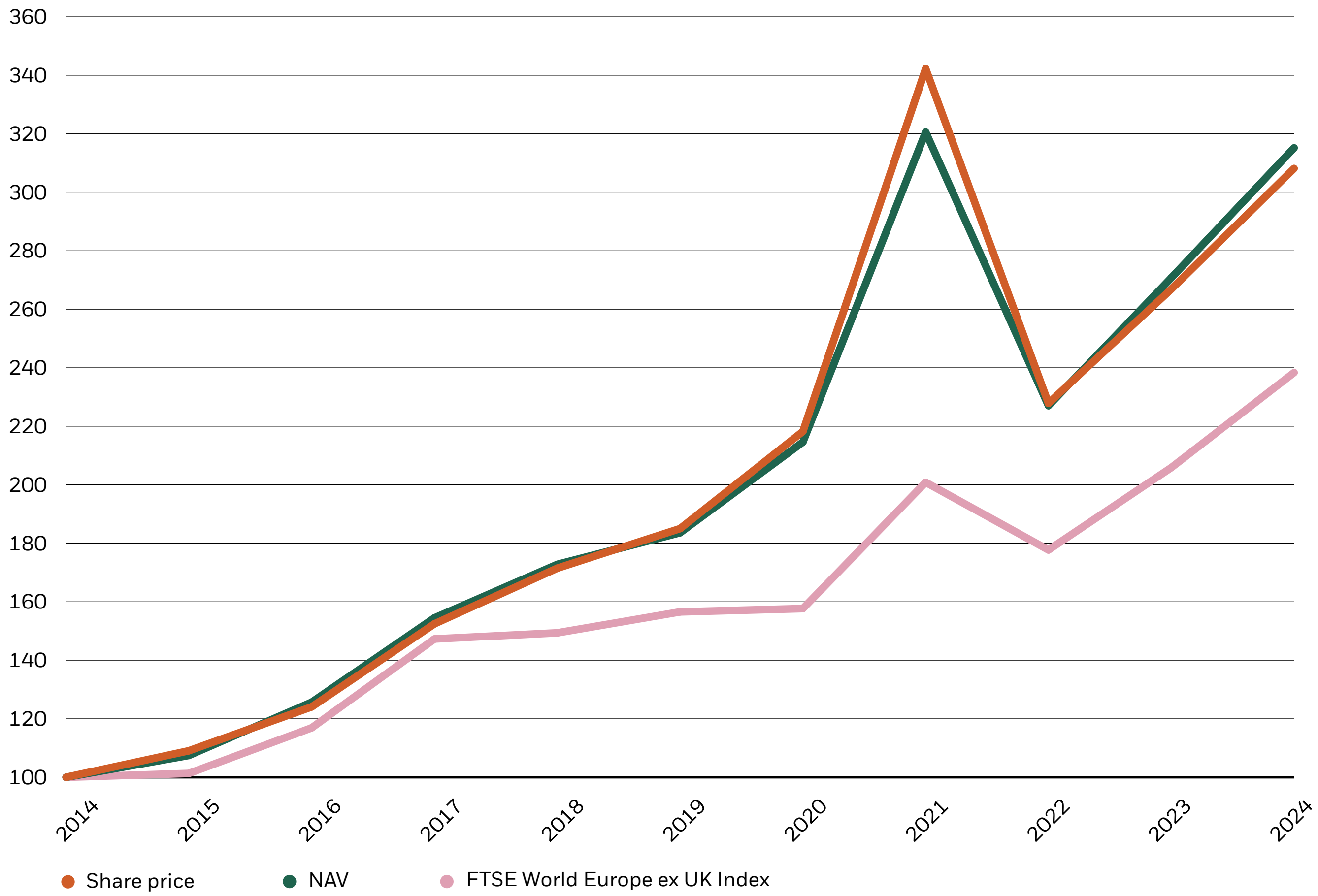
As previously noted, the Company does not have any employees and hence no disclosures are given in respect of the comparison between Directors' and employees' pay increases.

Performance

The line graph that follows compares the Company's NAV and share price total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total notional shareholder return on an equivalent investment in the FTSE World Europe ex UK Index. This index was chosen for comparison purposes as it is the best proxy whereby the success of the Investment Manager's investment decisions may be judged.

Directors' Remuneration Report
continued

Performance from 1 September 2014 to 31 August 2024



Sources: BlackRock and LSEG Datastream.
Performance with dividends reinvested in Sterling terms, rebased to 100 at 1 September 2014.

Shareholdings

There is no requirement for Directors to hold shares in the Company.

The interests of the Directors in the ordinary shares of the Company are set out in the table below. The Company does not have a share option scheme, therefore none of the Directors has an interest in share options.

	31 August 2024	31 August 2023
Eric Sanderson	4,000	4,000
Peter Baxter	11,000	11,000
Paola Subacchi	11,700	11,109
Ian Sayers	4,000	4,000
Sapna Shah	–	–[1]

[1] As at date of appointment, 12 December 2023.

The information in the above table has been audited.

All of the holdings of the Directors are beneficial. Since the date of this report, Ms Shah has purchased 4,000 shares in the Company.

Implementation of the remuneration policy in the 2024/2025 financial year

There are no significant changes proposed in the current financial year, although shareholders will be asked to approve the maximum level of aggregate fees that may be paid to Directors in any financial year at the forthcoming Annual General Meeting. The remuneration policy was implemented at the 2023 Annual General Meeting. Directors' fees have increased with effect from 1 September 2024 as outlined on page 58.

Retirement of Directors

Details are given in the Directors' Report on page 53.

By order of the Board

ERIC SANDERSON
Chairman
5 November 2024

Directors' Remuneration Policy

Directors' Remuneration Policy

In determining the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary.

The review is performed on an annual basis. The Board is cognisant of the need to avoid any potential conflicts and has therefore agreed a mechanism by which no Director will be present when his or her own pay is being determined. The Company has no executive employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

No element of the Directors' remuneration is performance-related or subject to recovery or withholding (except for tax). The Company has not awarded any share options or long-term performance incentives. None of the Directors has a service contract with the Company or receives any non-cash benefits (except as described in the policy table), pension entitlements or compensation for loss of office.

The remuneration policy will be applied when agreeing the remuneration package of any new Director. The terms of a Director's appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Directors' appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination, together with reimbursement of any expenses properly incurred prior to that date. Directors are also subject to re-election on an annual basis and, if not elected, their appointment ceases immediately. No payments for loss of office are made.

Consideration of shareholders' views

An ordinary resolution to approve the Remuneration Report is put to members at each Annual General Meeting and shareholders have the opportunity to express their views and raise any queries in respect of the remuneration policy at this meeting. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company's Annual General Meeting, the reasons for any such vote would be sought and appropriate action taken. Should the votes be against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy was put to members at the 2023 Annual General Meeting. It is the intention of the Board that the policy on remuneration will continue to apply for all financial years of the Company up to 31 August 2026.

Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken.

Shareholder voting

At the Company's previous Annual General Meeting held on 12 December 2023, 98.92% of votes cast (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 August 2023 and 1.08% were against. 87,821 votes were withheld.

At the Company's Annual General Meeting held on 12 December 2023, 99.11% (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Policy and 0.89% were against. 97,594 votes were withheld.

Policy table

Purpose and link to strategy	Fees and benefits payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the level of complexity of responsibilities borne by the Directors.
Description	Current levels of fixed annual fee (effective from 1 September 2024): Chairman – £49,000 Audit and Management Engagement Committee Chair - £39,000 Senior Independent Director – £34,500 Directors – £33,500
Maximum and minimum levels	Remuneration consists of a fixed fee each year, set in accordance with the stated policies and as such there is no maximum threshold. However, any increase granted must be in line with the stated policies. The Company's Articles of Association currently set an aggregate limit of £200,000 in respect of the total remuneration that may be paid to Directors in any financial year. Resolution 11 to be put to shareholders at the Annual General Meeting to be held on 10 December 2024 seeks to increase this limit to £300,000 in any financial year. In addition, the Directors propose a limit of £20,000 in relation to the maximum that may be paid in respect of taxable benefits. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Policy on share ownership	Directors are not required to own shares in the Company.
Operation	
Fixed fee element	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in fees, the Board will consider wider factors such as the average rate of inflation over the period since the previous review and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). Directors are not eligible to be compensated for loss of office, nor are they eligible for bonuses, pension benefits, share options or other incentives of benefits. Directors do not have service contracts but are appointed under letters of appointment.
Discretionary fees	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such work and the fees payable are subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director.
Operation – expenses	
Taxable benefits	The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or Committees of the Board, Annual General Meetings or General Meetings. Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses.

Corporate Governance Statement

Chairman's Introduction

Corporate Governance is the process by which the Board seeks to look after shareholders' interests and protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors to manage the Company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run our Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing our business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company and we are committed to maintaining high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in July 2018. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2019, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

Both the UK Code and the AIC Code apply to accounting periods beginning on or after 1 January 2019. The Board has determined that it has complied with the recommendations of the AIC Code. This in most material respects is the same as the UK Code, save that there is greater flexibility regarding the tenure of the Chairman and membership of the audit committee. The 2018 Corporate Governance Code was updated in January 2024 and will apply to financial years beginning on or after 1 January 2025.

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

Compliance

The Board has made the appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, as an investment trust, most of the Company's day-to-day responsibilities are delegated to third-party service providers, the Company has no executive employees and the Directors are all non-executive, therefore not all of the provisions of the UK Code are directly applicable to the Company.

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout this accounting period, except the provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- membership of the Audit and Management Engagement Committee.

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company with no executive employees and, in relation to the internal audit function, in view of BlackRock having an internal audit function. The Chairman is a member of the Audit and Management Engagement Committee due to being independent on his appointment to the Committee in line with Provision 29 of the AIC Code. Further explanation is provided below.

Information on how the Company has applied the principles of the AIC Code and UK Code is set out below. The UK Code is available from the Financial Reporting Council's website at www.frc.org.uk. The AIC Code is available from the Association of Investment Companies at www.theaic.co.uk.

The Board

The Board currently consists of five non-executive Directors, all of whom are considered to be independent of the Company's Manager. Provision 9 of the UK Code which relates to the combination of the roles of the chairman and chief executive does not apply as the Company has no executive directors. The UK Code recommends that the Board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. The Code states that the senior independent director should be available to shareholders if they have concerns which contact through the normal channel of the chairman has failed to resolve or for which such contact is inappropriate. Dr Subacchi is the Company's Senior Independent Director.

The Board's primary purpose is to direct the Company to maximise shareholder value within a framework of proper controls and in accordance with the Company's investment objective.

Board structure and management

Details of the Board's structure, roles and responsibilities and management are set out in the summary of Governance Structure on page 30. The Directors' biographies on pages 31 and 32 demonstrate a breadth of investment, commercial, accounting, financial and professional experience which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 31.

The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the Manager as AIFM, with investment management and other ancillary services delegated to the Investment Manager. Representatives of the Manager, Investment Manager and Company Secretary attend each Board meeting. The Board, the AIFM, the Investment Manager and the Company Secretary operate in a supportive and co-operative manner.

Board independence and tenure

The Board's individual independence, including that of the Chairman, has been considered and confirmed and this independence allows all of the Directors to sit on the Company's various Committees. In line with the AIC Code, it has been agreed that Mr Sanderson will continue to be a member of the Audit and Management Engagement Committee.

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 add significantly to the strength of the Board. It is considered that Mr Sanderson and Mr Baxter who have served as Directors for over nine years, continue to be independent in both character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director. The Board is currently undertaking a process to identify a replacement for Mr Sanderson who plans to retire and intends to announce a new Board appointment in due course.

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. Copies of these letters are available on request from the Company's registered office and will be available at the Annual General Meeting.

Board diversity

The Board's aim regarding diversity, including age, gender, educational and professional background and other broader characteristics of diversity, is to take these into account during the recruitment and appointment process. However, the Board is committed to an objective of appointing the most appropriate candidate, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report.

The Board has complied with the recommendations of the Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules which set new diversity targets and associated disclosure requirements for UK companies listed on the London Stock Exchange. Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This new requirement applies to accounting periods commencing on or after 1 April 2022.

Further information on the composition and diversity of the Board and its Committees as at 31 August 2024 can be found in the disclosure table which follows below.

Gender	Number of Board Members	Percentage of Board	Number of senior roles held[1]
Men	3	60%	1
Women	2	40%	1
Ethnicity[2,3]			
White British (or any other white background)	4	80%	2
Mixed/Multiple Ethnic Groups	0	0%	0
Asian/Asian British	1	20%	0
Black/African/Caribbean/Black British	0	0%	0
Other ethnic group, including Arab	0	0%	0

1 According to the Listing Rules, the Chair and Senior Independent Director are defined as senior positions. In addition, the Company considers that the role of the Audit and Management Engagement Chair is a senior position.
2 Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.
3 Columns corresponding to the 'Number in executive management' and 'Percentage of executive management' are not included in the table. These are inapplicable as the Company is externally managed and does not have executive management functions.

Corporate Governance Statement
continued

Directors’ appointment, retirement and rotation
The rules concerning the appointment, retirement and rotation of Directors are discussed in the Directors’ Report on page 53. Appointments of new Directors are made on a formalised basis, with the Nomination Committee agreeing the selection criteria and method of selection. The services of an external search consultant may be used to identify suitable candidates.

The Board recognises the value of progressive renewing of, and succession planning, for company boards. The refreshment of the Board will remain as an ongoing process to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company, including in terms of time.

Directors’ induction, training and development
When a new Director is appointed to the Board, he or she is provided with all the relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend some time with the portfolio managers, the Company Secretary and other key employees of the Manager whereby he or she will become familiar with the working and processes of the Company.

The Company’s policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the auditors and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect the Company and/or the Directors. Directors’ training and development needs are reviewed by the Chairman on an annual basis.

Directors’ liability insurance
The Company has maintained appropriate Directors’ liability insurance cover throughout the year.

Board’s responsibilities
The Board is responsible to shareholders for the overall management of the Company. It decides upon matters relating to the Company’s investment objective, policy and strategy and monitors the Company’s performance towards achieving that objective through its agreed policy and strategy. The Board has also adopted a schedule of matters reserved for its decision. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Strategic issues and all operational matters of a material nature are determined by the Board. The Board has responsibility for ensuring that the Company keeps adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is the Board’s responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive reports. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board has established a procedure whereby Directors wishing to do so in the furtherance of their duties, may take independent advice at the Company’s expense.

Meetings
The Board meets at least five times a year to review investment performance, financial reports and other reports of a strategic nature. Board or Board committee meetings are also held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Manager and/or Investment Manager attend each meeting and between these meetings there is regular contact with the Manager and Investment Manager. The Board also holds an annual strategy day to focus on longer-term direction, purpose and strategy.

Performance evaluation
In order to review the effectiveness of the Board, the Committees and the individual Directors, the Board carries out an annual appraisal process. This encompasses both quantitative and qualitative measures of performance in respect of the Board and its Committees, implemented by way of completion of an evaluation survey and a subsequent review of findings. The Chairman also reviews with each Director their individual performance, contribution and commitment and the appraisal of the Chairman is reviewed by the other Directors, led by the Senior Independent Director.

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. The review concluded that the Board oversees the management of the Company effectively and has the skills and expertise to safeguard shareholders’ interests. The Board, the Investment Manager and representatives of the Manager were found to operate in a cooperative and open environment. Each Director made a valuable contribution to the Board and its discussions, brought different qualities to the Board, challenged the Investment Manager and Manager constructively, remained independent in character and judgement and dedicated sufficient time to their respective role on the Board. Board composition, dynamics and structure worked well. There were no significant actions arising from the evaluation process and it was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

Delegation of responsibilities

Management and administration

The management of the investment portfolio and the administration of the Company have been contractually delegated to BlackRock Fund Managers Limited (BFM or the Manager), as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The contractual arrangements with BFM are summarised on page 51.

The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. The Board has final investment authority on unquoted investments. The review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at each Board meeting. In addition, a formal review is undertaken annually, details of which are set out in the Directors' Report.

The Manager has delegated fund accounting services to The Bank of New York Mellon (International) Limited (BNY). The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is BNY and the address at which this business is conducted is given on page 117.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's voting policy are set out on page 52.

The Company Secretary

The Board has direct access to company secretarial advice and the services of the Manager which, through its nominated representative, is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The appointment and removal of the Company Secretary is a matter for the whole Board.

Committees of the Board

Nomination Committee

As the Board is small and comprises only non-executive Directors it fulfils the function of the Nomination Committee and is chaired by the Chairman of the Board. The role of the Committee is to review the Board structure, size and composition, the balance of knowledge, experience and skill ranges and to consider succession planning and tenure policy. Appointments of new Directors will be made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. The services of an external search consultant may be used to identify potential candidates.

Audit and Management Engagement Committee

A separately chaired Audit and Management Engagement Committee has been established and comprises the whole Board. Further details are given in the Report of the Audit and Management Engagement Committee on pages 71 to 76.

Remuneration Committee

Under the Listing Rules, where an investment trust company has no executive directors, the UK Code provisions relating to directors' remuneration do not apply. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Directors' Remuneration Policy on pages 58 to 63. The full Board determines the level of Directors' fees and accordingly there is no separate Remuneration Committee.

Internal controls

The Board is responsible for establishing and maintaining the Company's internal control systems and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable and for regularly monitoring compliance with regulations governing the operation of investment trusts.

Corporate Governance Statement
continued

The Board, through the Audit and Management Engagement Committee (the Committee), regularly reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. If any significant failings or weaknesses are identified, the Manager and Board ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Company. There is a monitoring and reporting process to review these controls which has been in place throughout the year under review and up to the date of this report, carried out by the Manager's Risk and Quantitative Analysis Group. This accords with the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third-party service providers to mitigate these risks. The Committee formally reviews this register on a semi-annual basis and the Manager as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairs of the BlackRock investment trusts on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the Custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent this is required. The Committee also receives periodic SOC 1 reports from BlackRock and BNY as Custodian and Fund Accountant on the internal controls of their respective operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Manager and Custodian. The Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

The Company does not have its own internal audit function, as all the administration is delegated to the Manager and other third-party service providers. The Board monitors the controls in place through the internal control reports and the Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function, although this matter is kept under review.

Financial reporting
The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on page 77, the Independent Auditor's Report on pages 80 to 85 and the Statement of Going Concern on page 53.

Recognition of our stewardship approach
The Company invests in the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio includes research and appraisal, and considers environmental policies, social, ethical and other business issues. In this regard, the European team works closely with colleagues in the BlackRock Investment Stewardship team.

BlackRock's policies on corporate governance are detailed on the website at https://www.blackrock.com/corporate/about-us/investment-stewardship. The Manager is supportive of the UK Stewardship Code which is voluntary and operates on a 'comply or explain' basis.

BlackRock Investment Stewardship reports its activities to regulators and may also report them to third-party organisations, which assess whether those activities adhere to their respective stewardship codes. While BlackRock Investment Stewardship's activities are completely independent, clients are increasingly interested in understanding how the team's work aligns with the guidance set out in different market-level stewardship codes such as the UK Financial Reporting Council's Stewardship Code. BlackRock Investment Stewardship has been a signatory to the revised 2020 UK Stewardship Code (the Code) since 2021. As mandated by signatory status to the Code, every year BlackRock Investment Stewardship submits a report on its investment stewardship activities to the Financial Reporting Council, which oversees the Code. The Financial Reporting Council then assesses the report against the Code's 12 Principles and reporting expectations. Based on this annual submission, BlackRock's signatory status to the Code was first granted in September 2021, renewed in October 2022, August 2023 and again most recently in July 2024. BlackRock's most recent submission to the Financial Reporting Council is available here: https://www.blackrock.com/corporate/literature/publication/annual-stewardship-report-2023.pdf.

BlackRock's statement of adherence to the UK Stewardship Code is available here: https://www.blackrock.com/corporate/literature/publication/statement-of-adherence-uk-stewardship-code.pdf.

Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero-tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Manager on its behalf very seriously and the Manager has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

Criminal Finances Act 2017

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

Communications with shareholders

Under normal operating conditions, all shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting sets out the business of the Meeting which is explained in the Directors' Report. Separate resolutions are proposed for substantive issues. Regular updates on performance are available to shareholders on the BlackRock website and the portfolio managers will review the Company's portfolio and performance at the Annual General Meeting, where the Chairman of the Board and the Chair of the Audit and Management Engagement Committee and representatives of the Manager will be available to answer shareholders' queries. Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the Manager's website shortly after the meeting. In accordance with Provision 4 of the UK Code, when 20% of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result. An interim action statement will also be published within six months of the vote, setting out the views received from shareholders and the actions the Company has taken, and will include a summary of the feedback and actions in the next Annual Report.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate broker. The Chairman and Directors are also available to meet with shareholders periodically without the Investment Manager being present. The Chairman may be contacted via the Company Secretary whose details are given on page 117. The dialogue with shareholders provides a two-way forum for canvassing the views of shareholders and enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

There is a section within this Annual Report entitled 'Shareholder Information', which provides an overview of useful information available to shareholders. The Company's financial statements, regular factsheets and other information are also published on the Manager's website at www.blackrock.com/uk/brge. The work undertaken by the auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

Packaged Retail and Insurance-Based Investment Products (PRIIPs) Regulation (The Regulation)

The Regulation (as onshored in the UK and amended) requires that anyone manufacturing, advising on, or selling a PRIIP to a retail investor in the UK must comply with the Regulation. Shares issued by investment trusts fall into scope of the Regulation and under the PRIIPs framework they must disclose costs in the same way as open-ended funds.

However, on 19 September 2024, the Government announced that it would lay legislation to exempt listed investment trusts from the current PRIIPs Regulation, as well as making other necessary amendments to other EU assimilated law, in response to concerns raised by industry representatives regarding the suitability of the current regime. It further clarified that investment trusts would be included within the scope of the future UK retail disclosure framework (the Consumer

Corporate Governance Statement
continued

Composite Investment (CCI) regime) which is intended to better cater for a variety of products, including investment trusts, while still ensuring consumers receive appropriate information to allow them to make meaningful choices between investment opportunities. The FCA will be holding a consultation on its proposed CCI Regulation this autumn and it is anticipated that the earliest this could be enacted is Q2 2025.

Following on from this announcement, the FCA confirmed that it would not take supervisory or enforcement action if an investment trust chose not to follow the requirements of the PRIIPs Regulation and associated technical standards, and/or the requirements of Article 50(2)(b) and Article 51 of the MiFID Org Regulation.

Notwithstanding the above, investors should be aware that the Company's AIFM, as PRIIPs manufacturer, continues to prepare a key information document (KID) in respect of the Company. This KID is available, free of charge, to UK retail investors prior to them making any investment decision and is published on BlackRock's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the Regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed. BlackRock Fund Managers Limited as the Company's AIFM has elected to continue to publish KIDs for the Alternative Investment Funds that it manages at the present time, pending further consensus across the industry for a cohesive approach to providing appropriate information to consumers and the development of the CCI regime.

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/brge.

Disclosure Guidance and Transparency Rules
Information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 50 to 57 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

ERIC SANDERSON
Chairman
5 November 2024

Report of the Audit and Management Engagement Committee

As Chair of the Company's Audit and Management Engagement Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 August 2024.

Composition

All of the Directors are members of the Committee. The Association of Investment Companies published its updated Code of Corporate Governance in February 2019 which has been endorsed by the Financial Reporting Council. It states that the Chairman of the Board should not chair the Committee but can be a member if they were independent on appointment. The Chairman of the Company is a member of the Committee to enable him to be kept fully informed of any issues which may arise. The Committee also benefits from his experience as a chartered accountant.

The Directors' biographies are given on pages 31 and 32 and the Board considers that at least one member of the Committee has recent and relevant financial experience and specific competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

Performance evaluation

Details of the evaluation of the Committee are set out in the Corporate Governance Statement on pages 66 and 67.

Role and responsibilities

The Committee meets at least twice a year. The two planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from BlackRock's internal audit and compliance departments on a regular basis.

The Committee operates within written terms of reference detailing its scope and duties and these are available on the website at www.blackrock.com/uk/literature/terms-of-reference/blackrock-greater-europe-investment-trust-plc-audit-and-management-enganement-committee-tor-a.pdf. The Committee's principal duties, as set out in the terms of reference, are set out below. In accordance with these duties, the principal activities of the Committee during the year included:

Internal controls, financial reporting and risk management systems

- reviewing the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems;
- reasonably satisfying itself that such systems meet relevant legal and regulatory requirements;
- monitoring the integrity of the financial statements;
- reviewing the consistency of, and any changes to, accounting policies;
- reviewing the Half Yearly and Annual Report and Financial Statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders;
- reviewing semi-annual reports from the Manager on its activities as AIFM; and
- reviewing half yearly reports from the Depositary on its activities.

Narrative reporting

- reviewing the content of the Annual Report and Financial Statements and advising the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

External audit

- making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting in relation to the appointment, re-appointment and removal of the Company's external auditors;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditors;
- reviewing and approving the audit and non-audit fees payable to the external auditors and the terms of their engagement;
- reviewing and approving the external auditors' plan for the following financial year, with a focus on the identification of areas of audit risk and consideration of the appropriateness of the level of audit materiality adopted;

Report of the Audit and Management Engagement Committee continued

- reviewing the efficiency of the external audit process and the quality of the audit engagement partner and the audit team, and making a recommendation with respect to the reappointment of the auditors;
- reviewing the role of the Manager and third-party service providers in an effective audit process;
- considering the quality of the formal audit report to shareholders; and
- overseeing the relationship with the external auditors.

Management engagement

- reviewing the investment management agreement to ensure the terms remain competitive;
- satisfying itself that the continuing appointment of the Manager is in the interests of shareholders as a whole; and
- considering the remuneration of the Manager and other service providers.

Third-party service providers

- considering the appointment of other third-party service providers; and
- ensuring that third-party service providers comply with the terms of their agreements and that the provisions of such agreements remain competitive.

Reporting responsibilities

- reporting to the Board on its proceedings and how it has discharged its responsibilities, making whatever recommendations it deems appropriate on any area within its remit; and
- compiling a report on its activities to be included in the Annual Report and Financial Statements.

Internal audit

- considering the need for an internal audit function, as set out in the Corporate Governance Statement on page 68 and below.

The Company does not have its own internal audit function, as all administration is delegated to the Manager. The Board considers that it is sufficient to rely on the internal audit function of BlackRock. The requirement for an internal audit function is kept under review. The external auditors obtain an understanding of the internal controls in place at both the Manager and Fund Accountant by analysing the relevant internal control reports issued by their independent auditors.

Whistleblowing policy

The Committee has reviewed and accepted the 'whistleblowing' policy that has been put in place by BlackRock under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, insofar as they affect the Company.

Non-audit services

The fees paid to the external auditors are set out in note 5 of the Financial Statements. An explanation of how auditor objectivity and independence is safeguarded is reported under 'Assessment of the effectiveness of the external audit process' on pages 74 and 75.

The Company's policy on permitted audit-related and non-audit services is set out in full in the Committee's terms of reference which are available on the website at www.blackrock.com/uk/brge. In the years to 31 August 2024 and 31 August 2023, the auditors did not provide any audit-related or non-audit services to the Company. No non-audit fees have been paid to the auditors during the year.

United Kingdom Single Electronic Format regulatory technical standard (UKSEF)

The Committee paid special attention to the preparation of the financial statements in digital form under the UKSEF taxonomy and regulatory technical standard. The Committee made sure the necessary procedures had been completed by all parties, including the technical accounting team of the Manager, our Fund Accountant, The Bank of New York Mellon (International) Limited and a specialist information technology provider.

Audit Committee Standard

The Financial Reporting Council's Audit Committee Standard 'Audit Committees and the External Audit: Minimum Standard' was published in May 2023. It is applicable to FTSE 350 companies with a listing on the London Stock Exchange and will operate on a comply or explain basis until the creation of the Audit, Reporting and Governance Authority (ARGA), at which time compliance will be mandated. This Standard is not anticipated to have a significant impact on the Company, but the Audit and Management Engagement Committee will be reviewing its current practices against the Standard to avoid any non compliance when ARGA is formed.

Significant issues considered regarding the Annual Report and Financial Statements

During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The table below sets out the key areas of risk identified by the Committee and also explains how these were addressed.

Significant issue

The accuracy of the valuation of the investment portfolio

How the issue was addressed

Listed investments are valued using stock exchange prices from third party vendors. The Board reviews detailed portfolio valuations including the fair valuation of investments suspended from trading at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company, and that the carrying values are materially correct. The Board also relies on the Manager's and Fund Accountant's controls which are documented in their internal controls report which is reviewed by the Committee.

Significant issue

The risk of misappropriation of assets and unsecured ownership of investments

How the issue was addressed

The Depositary is responsible for financial restitution for the loss of financial investments held in custody. The Depositary reports to the Committee on a twice-yearly basis. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee.

The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.

Significant issue

The accuracy of the calculation of the management fee

How the issue was addressed

The management fee is calculated in accordance with the contractual terms in the investment management agreement by the Fund Accountants and is reviewed in detail by the Manager and is also subject to analytical review by the Board.

Report of the Audit and Management Engagement Committee continued

Significant issue

The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.

How the issue was addressed

The Committee reviews income forecasts, including special dividends, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year figures. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. The Directors also review a schedule of the top ten dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates, and the amounts accrued. Any significant movements or unusual items are discussed with the Manager.

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Investment Manager, which sub-delegates fund accounting to The Bank of New York Mellon (International) Limited (BNY) and the provision of depositary services and custody services are contracted to BNY, the Committee has also reviewed the Service Organisation Control (SOC 1) reports prepared by BlackRock and BNY to ensure that the relevant control procedures are in place to cover these areas of risk as identified on pages 73 and 74 are adequate and appropriate and have been designated as operating effectively by the reporting auditors.

Auditors and audit tenure

The Committee is mindful of the regulations on mandatory auditor rotation which require the appointment of a new auditor or perform an audit tender every ten years. As a result, the Company carried out a formal tender process in July 2023 and PricewaterhouseCoopers LLP (PwC) was selected as the Company's new independent auditors for the year ended 31 August 2024. The Committee, in conjunction with the Board, is committed to reviewing the auditors' appointment each year to ensure that the Company is receiving an optimal level of service. There are no contractual obligations that restrict the Company's choice of auditors.

The Committee is responsible for overseeing the relationship with the external auditors and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity. The Committee reviews annually the audit requirements of the Company, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective external audit process.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014.

Assessment of the effectiveness of the external audit process

To assess the effectiveness of the external audit, members of the Committee work closely with the Manager to obtain a good understanding of the progress and efficiency of the audit. The Committee has adopted a formal framework in its review of the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Committee, the Manager and third-party service providers in an effective audit process;
- communications by the auditors with the Committee;

- how the auditors support the work of the Committee and how the audit contributes added value;
- policies and procedures to pre-approve and monitor non-audit services including gifts and hospitality;
- the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and also the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The external auditors are invited to attend the Committee meetings at which the half yearly and annual financial statements are considered and at which they have the opportunity to meet with the Committee without representatives of the Manager or Investment Manager being present.

The effectiveness of the Committee and the Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the Board's approach to the value of the independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the auditors and the Committee.

To form a conclusion with regard to the independence of the external auditors, the Committee considers whether the skills and experience of the auditors make them a suitable supplier of any non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of any such services. On an ongoing basis, PricewaterhouseCoopers reviews the independence of its relationship with the Company and reports to the Committee, providing details of any other relationship with the Manager. As part of this review, the Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's auditors, including information on the rotation of audit partners and staff, the level of fees that the Company pays in proportion to the overall fee income of the firm, and the level of related fees, details of any relationships between the audit firm and its staff and the Company, as well as an overall confirmation from the auditors of their independence and objectivity.

As a result of its review, the Committee has concluded that the external audit has been conducted effectively and also that Pricewaterhouse Coopers is independent of the Company and the Manager.

Conclusions in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion that the Annual Report and Financial Statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether these criteria are satisfied. In so doing, the Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the extensive levels of review that are undertaken in the production process by the Manager, the Depositary and the third-party service providers responsible for accounting services and the Committee;
- the controls that are in place at the Manager and other third-party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Custodian and Fund Accountant.

Report of the Audit and Management Engagement Committee continued

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported on these findings to the Board which affirms the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements.

IAN SAYERS
Chair
Audit and Management Engagement Committee
5 November 2024

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

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 as at the end of each financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit and Management Engagement Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Manager for the maintenance and integrity of the Company's corporate and financial information included on the BlackRock website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors at the date of this report, whose names are listed on pages 31 and 32, confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report contained in the Annual Report and Financial Statements 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.

The UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit and Management Engagement Committee advise on whether it considers that the Annual Report and Financial Statements fulfils these requirements. The process by which the Committee has reached these conclusions is set out in the Audit and Management Engagement Committee's Report on pages 71 to 76. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 August 2024, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

ERIC SANDERSON
Chairman
5 November 2024

Financial statements

Information and analytics multinational RELX was one of the portfolio's top contributors during the year. The company holds intellectual property related to AI and is already generating revenue from its AI tools.

PHOTO COURTESY OF RELX

Independent Auditors' Report

to the members of BlackRock Greater Europe Investment Trust plc

Report on the audit of the financial statements

Opinion
In our opinion, BlackRock Greater Europe Investment Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements for the year ended 31 August 2024 (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2024; the Income Statement, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Management Engagement Committee.

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

Independence
We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Context
The Company is a standalone investment trust company and engages BlackRock Fund Managers Limited (the 'Manager') to manage its assets. The Manager engages Bank of New York Mellon (International) Limited (the "Fund Accountant") to provide administrative functions to the Company.

Overview
Audit scope

- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the control environment in place at both the Manager and the Fund Accountant and adopted a fully substantive testing approach using reports obtained from the Fund Accountant.

Key audit matters
- Valuation and existence of investments.
- Accuracy, occurrence and completeness of investment. income.

Materiality
- Overall materiality: £6,403,001 based on 1% of net assets.
- Performance materiality: £4,802,251.

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments	
The investment portfolio at the year end comprised of listed equity investments valued at £691.8 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value (NAV) as disclosed on the Balance Sheet in the Financial Statements.	Our audit work on the valuation and existence of the investments included the following: • We tested the valuation of all investments by agreeing the valuation to independent third party sources. • We tested the existence of all of the investments by agreeing the Company's holdings to an independent custodian confirmation as at 31 August 2024. We have no matters to report as a result of this testing
Accuracy, occurrence and completeness of investment income	
Income from investments consists primarily of dividend income. Within dividend income there is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an inappropriate accounting treatment. In addition, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	We responded to this risk by performing the following audit procedures: • We obtained an understanding of the processes and controls around income recognition and classification of special dividends by reviewing the internal control reports of the Fund Accountant. • We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. For all dividends recorded by the Company, we performed our audit procedures through the use of our proprietary testing tool Halo: • We tested the accuracy of their receipts by agreeing the dividend rates from investments to independent market data. • We tested occurrence by examining for each investment holding that all dividends recorded in the year had been declared in the market. • To test for completeness, we investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. As stipulated by the requirements set out in the AIC SORP, we tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement by determining reasons behind dividend distributions. We have no matters to report as a result of this testing.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

All audit procedures were conducted by a UK audit team. We tested and examined information using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to form our own judgements.

Independent Auditors' Report

continued

The impact of climate risk on our audit
In planning our audit, we made enquiries of the Directors and the Manager to understand the extent of the potential impact of climate change on the Company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report and Investment Manager's Report with the financial statements and our knowledge from our audit.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£6,403,001.
How we determined it	1% of net assets.
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. This benchmark provides an appropriate and consistent year on year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £4,802,251 for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Management Engagement Committee that we would report to them misstatements identified during our audit above £320,150 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including rise of inflation and the wider macroeconomic uncertainty;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessing the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and,
- assessing the implication of significant reductions in NAV as a result of a severe downside but plausible scenario in the market's performance on the ongoing ability of the Company to operate.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement
The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the Corporate Governance Statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement 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 Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and

Independent Auditors' Report

continued

- The section of the Annual Report describing the work of the Audit and Management Engagement Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase the net asset value. Audit procedures performed by the engagement team included:

- Discussions with the Manager and the Audit and Management Engagement Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding the controls implemented by the Company and the Fund Accountant designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Identifying and testing journal entries, in particular year end journal entries posted by the Fund Accountant during the preparation of the financial statements;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial; and
- Reviewing relevant meeting minutes, including those of the Audit and Management Engagement Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Directors on 12 December 2023 to audit the financial statements for the year ended 31 August 2024 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Edinburgh
5 November 2024

Income Statement

for the year ended 31 August 2024

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Gains on investments held at fair value through profit or loss	10	–	88,991	88,991	–	87,830	87,830
Gains on foreign exchange		–	1,075	1,075	–	1,149	1,149
Income from investments held at fair value through profit or loss	3	11,969	31	12,000	10,699	–	10,699
Total income		**11,969**	**90,097**	**102,066**	**10,699**	**88,979**	**99,678**
Expenses							
Investment management fee	4	(994)	(3,976)	(4,970)	(888)	(3,554)	(4,442)
Other operating expenses	5	(2,420)	(9)	(2,429)	(1,934)	(89)	(2,023)
Total operating expenses		**(3,414)**	**(3,985)**	**(7,399)**	**(2,822)**	**(3,643)**	**(6,465)**
Net profit on ordinary activities before finance costs and taxation		**8,555**	**86,112**	**94,667**	**7,877**	**85,336**	**93,213**
Finance costs	6	(467)	(1,870)	(2,337)	(167)	(665)	(832)
Net profit on ordinary activities before taxation		**8,088**	**84,242**	**92,330**	**7,710**	**84,671**	**92,381**
Taxation charge	7	(709)	(11)	(720)	(790)	–	(790)
Net profit on ordinary activities after taxation	**9**	**7,379**	**84,231**	**91,610**	**6,920**	**84,671**	**91,591**
Earnings per ordinary share (pence)	**9**	**7.35**	**83.88**	**91.23**	**6.85**	**83.77**	**90.62**

The total columns of this statement represent the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of the Company.

The net profit on ordinary activities for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 90 to 108 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 August 2024

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 August 2024								
At 31 August 2023		117	85,325	130	68,558	400,631	10,949	565,710
Total comprehensive income:								
Net profit for the year		–	–	–	–	84,231	7,379	91,610
Transaction with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury	14,15	–	–	–	(10,171)	–	–	(10,171)
Share buyback costs	14,15	–	–	–	(56)	–	–	(56)
Dividends paid[1]	8	–	–	–	–	–	(6,793)	(6,793)
At 31 August 2024		**117**	**85,325**	**130**	**58,331**	**484,862**	**11,535**	**640,300**
For the year ended 31 August 2023								
At 31 August 2022		117	85,325	130	71,572	315,960	10,695	483,799
Total comprehensive income:								
Net profit for the year		–	–	–	–	84,671	6,920	91,591
Transaction with owners, recorded directly to equity:								
Ordinary shares repurchased into treasury		–	–	–	(3,001)	–	–	(3,001)
Share buyback costs		–	–	–	(13)	–	–	(13)
Dividends paid[2]		–	–	–	–	–	(6,666)	(6,666)
At 31 August 2023		**117**	**85,325**	**130**	**68,558**	**400,631**	**10,949**	**565,710**

[1] Interim dividend paid in respect of the year ended 31 August 2024 of 1.75p per share was declared on 2 May 2024 and paid on 19 June 2024. Final dividend paid in respect of the year ended 31 August 2023 of 5.00p per share was declared on 8 November 2023 and paid on 20 December 2023.

[2] Interim dividend paid in respect of the year ended 31 August 2023 of 1.75p per share was declared on 10 May 2023 and paid on 19 June 2023. Final dividend paid in respect of the year ended 31 August 2022 of 4.85p per share was declared on 3 November 2022 and paid on 16 December 2022.

For information on the Company's distributable reserves, please refer to note 15 on pages 99 and 100.

The notes on pages 90 to 108 form part of these financial statements.

Balance Sheet

as at 31 August 2024

	Notes	2024 £'000	2023 £'000
Non current assets			
Investments held at fair value through profit or loss	10	691,831	594,727
Current assets			
Current tax asset		3,100	2,350
Debtors	11	748	1,517
Cash and cash equivalents – cash at bank		8	–
Total current assets		**3,856**	**3,867**
Current liabilities			
Cash and cash equivalents – bank overdraft	13, 16(c)	(50,150)	(27,617)
Other creditors	12	(5,237)	(5,267)
Total current liabilities		**(55,387)**	**(32,884)**
Net current liabilities		**(51,531)**	**(29,017)**
Net assets		**640,300**	**565,710**
Equity			
Called up share capital	14	117	117
Share premium account	15	85,325	85,325
Capital redemption reserve	15	130	130
Special reserve	15	58,331	68,558
Capital reserves	15	484,862	400,631
Revenue reserve	15	11,535	10,949
Total shareholders' funds	**9**	**640,300**	**565,710**
Net asset value per ordinary share (pence)	**9**	**644.60**	**560.11**

The financial statements on pages 86 to 108 were approved and authorised for issue by the Board of Directors on 5 November 2024 and signed on its behalf by Eric Sanderson, Chairman.

BlackRock Greater Europe Investment Trust plc

Registered in England, No. 5142459

The notes on pages 90 to 108 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 August 2024

	Note	2024 £'000	2023 £'000
Operating activities			
Net profit on ordinary activities before taxation		92,330	92,381
Add back finance costs		2,337	832
Gains on investments held at fair value through profit or loss		(88,991)	(87,830)
Gains on foreign exchange		(1,075)	(1,149)
Sale of investments held at fair value through profit or loss		134,209	86,863
Purchase of investments held at fair value through profit or loss		(142,473)	(115,924)
Net amount for capital special dividends received		(20)	–
Increase in debtors		(21)	(25)
Increase in other creditors		630	1,231
Taxation on investment income		(2,291)	(1,763)
Interest paid		(2,337)	(832)
Refund of withholding tax reclaims		821	542
Net cash used in operating activities		**(6,881)**	**(25,674)**
Financing activities			
Ordinary shares repurchased into treasury		(9,926)	(3,592)
Dividends paid	8	(6,793)	(6,666)
Net cash used in financing activities		**(16,719)**	**(10,258)**
Decrease in cash and cash equivalents		**(23,600)**	**(35,932)**
Cash and cash equivalents at the start of the year		(27,617)	7,166
Effect of foreign exchange rate changes		1,075	1,149
Cash and cash equivalents at the end of the year		**(50,142)**	**(27,617)**
Comprised of:			
Cash at bank		8	–
Bank overdraft		(50,150)	(27,617)
		(50,142)	**(27,617)**

The notes on pages 90 to 108 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 August 2024

1. Principal activity

The Company was incorporated on 1 June 2004 and its principal activity is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010.

2. Accounting policies

The principal accounting policies adopted by the Company are set out below:

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the revised Statement of Recommended Practice – Financial Statements of Investment Trust Companies and Venture Capital Trusts (SORP), issued by the Association of Investment Companies (AIC) in October 2019 and updated in July 2022, and the provisions of the Companies Act 2006.

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the period to 30 November 2025, being a period of at least 12 months from the date of approval of the financial statements, and therefore consider the going concern assumption to be appropriate. The Directors have reviewed compliance with covenants associated with the bank overdraft facility, income and expense projections and the liquidity of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by FRS 102.

None of the Company’s other assets and liabilities were considered to be potentially impacted by climate change.

The principal accounting policies adopted by the Company are set out below. Unless specified otherwise, the policies have been applied consistently throughout the year and are consistent with those applied in the preceding year. All of the Company’s operations are of a continuing nature.

The Company’s financial statements are presented in Sterling, which is the functional currency of the Company and the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£’000) except where otherwise indicated.

(b) Presentation of Income Statement

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and a capital nature has been presented on the face of the Income Statement.

(c) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(d) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provisions are made for dividends not expected to be received.

Special dividends are recognised on an ex-dividend basis and treated as capital or revenue depending on the facts or circumstances of each particular dividend.

Dividends are accounted for in accordance with Section 29 of FRS 102 on the basis of income actually receivable, without adjustment for tax credits attaching to the dividend. Dividends from overseas companies continue to be shown gross of withholding tax.

Deposit interest receivable is accounted for using the effective interest rate method in accordance with Section 11 of FRS 102.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the cash equivalent of the dividend is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

(e) Expenses

All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue account of the Income Statement, except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital. Details of transaction costs on the purchases and sales of investments are disclosed in note 10 on page 98;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the investment management fee and finance costs have been allocated 20% to the revenue account and 80% to the capital account of the Income Statement in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio.

(f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

The current tax effect of different items of expenditure is allocated between capital and revenue on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all timing differences at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to less taxation in the future have occurred at the balance sheet date. Deferred taxation is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the timing differences can be deducted.

(g) Investments held at fair value through profit or loss

The Company's investments are classified as held at fair value through profit or loss in accordance with Sections 11 and 12 of FRS 102 and are managed and evaluated on a fair value basis in accordance with its investment strategy.

All investments are classified upon initial recognition as held at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales are recognised at the trade date of the disposal and the proceeds are measured at fair value, which is regarded as the proceeds of the sale less any transaction costs.

The fair value of the financial investments is based on their quoted bid price at the balance sheet date on the exchange on which the investment is quoted, without deduction for the estimated future selling costs.

Unquoted investments are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines. This policy applies to all current and non-current asset investments of the Company.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Income Statement as 'Gains or losses on investments held at fair value through profit or loss'. Also included within this heading are transaction costs in relation to the purchase or sale of investments.

The fair value hierarchy consists of the following three levels:

Level 1 – Quoted market price for identical instruments in active markets.

Level 2 – Valuation techniques using observable inputs.

Level 3 – Valuation techniques using significant unobservable inputs.

(h) Debtors

Debtors include sales for future settlement, other debtors and prepayments and accrued income in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Notes to the Financial Statements
continued

2. Accounting policies continued
(i) Creditors
Creditors include purchases for future settlement, interest payable, share buy back costs and accruals in the ordinary course of business. Creditors are classified as creditors - amounts due within one year if payment is due within one year or less (or in the normal operating cycle of business if longer). If not, they are presented as creditors - amounts due after more than one year.

(j) Dividends payable
Under Section 32 of FRS 102, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the balance sheet date. Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity when they have been approved by shareholders and have become a liability of the Company. Interim dividends are only recognised in the financial statements in the period in which they are paid.

(k) Cash and cash equivalents
Cash comprises cash in hand and on demand deposits. Cash equivalents include bank overdrafts repayable on demand and short term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(l) Foreign currency translation
In accordance with Section 30 of FRS 102, the Company is required to nominate a functional currency being the currency in which the Company predominately operates. The functional and reporting currency is Sterling, reflecting the primary economic environment in which the Company operates. Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into Sterling at the rates of exchange ruling at the balance sheet date. Profits and losses thereon are recognised in the capital account of the Income Statement and taken to the capital reserves.

(m) Share repurchases, share reissues and new share issues
Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased and the capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the special reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the special reserve.

Where treasury shares are subsequently reissued:

- amounts received to the extent of the repurchase price are credited to the special reserve and capital reserves based on a weighted average basis of amounts utilised from these reserves on repurchases; and
- any surplus received in excess of the repurchase price is taken to the share premium account.

Where new shares are issued, the par value is taken to called up share capital and amounts received to the extent of any surplus received in excess of the par value are taken to the share premium account.

Share issue costs are charged to the share premium account. Costs on share reissues are charged to the special reserve and capital reserves.

(n) Bank borrowings
Bank overdrafts are recorded as the proceeds received. Finance charges are accounted for on an accruals basis in the Income Statement.

(o) Critical accounting estimates and judgements
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income

	2024 £'000	2023 £'000
Investment income:		
UK dividends	807	764
Overseas dividends	10,687	9,907
Overseas special dividends	475	27
Total investment income	**11,969**	**10,698**
Other income:		
Interest received	–	1
Total	**11,969**	**10,699**

Dividends and interest received in cash during the year amounted to £8,119,000 and £nil respectively (2023: £7,781,000 and £1,000).

Special dividends of £31,000 have been recognised in capital during the year (2023: £nil).

4. Investment management fee

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	994	3,976	4,970	888	3,554	4,442
Total	**994**	**3,976**	**4,970**	**888**	**3,554**	**4,442**

With effect from 1 January 2023, the investment management fee is levied quarterly based on a tiered basis: 0.85% per annum of the month-end net asset value up to £350 million and 0.75% per annum of the month-end net asset value above £350 million.

Up to and including 31 December 2022, the investment management fee was levied quarterly, based on 0.85% per annum of the net asset value on the last day of each month.

The investment management fee is allocated 20% to the revenue account and 80% to the capital account of the Income Statement. There is no additional fee for company secretarial and administration services.

Notes to the Financial Statements

continued

5. Other operating expenses

	2024 £'000	2023 £'000
Allocated to revenue:		
Broker fees	48	48
Custody fees	65	36
Depositary fees	70	65
Audit fees[1]	64	57
Legal fees	26	26
Registrar's fees	94	97
Directors' emoluments[2]	186	173
Marketing fees	157	97
Postage and printing fees	46	68
AIC fees	22	21
Professional fees	37	66
Stock exchange listing fees	30	35
Write back of prior year expense accruals[3]	(12)	(23)
Other administration costs	30	24
Provision for doubtful debts[4]	1,557	1,144
Total revenue expenses	**2,420**	**1,934**
Allocated to capital:		
Custody transaction costs[5]	9	89
Total	**2,429**	**2,023**
The Company's ongoing charges[6], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items were:	0.95%	0.98%

[1] No non-audit services are provided by the Company's auditors (2023: none).

[2] Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 58. The Company has no employees.

[3] Relates to professional fees and postage and printing fees written back in the year ended 31 August 2024 (2023: legal fees and registrar's fees.

[4] Provision for doubtful debts relate to dividend income from Sberbank which has not been received due to measures imposed by the Russian authorities in response to the sanctions that have been imposed on Russia as a result of the invasion of Ukraine.

[5] For the year ended 31 August 2024, expenses of £9,000 (2023: £89,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

[6] Alternative Performance Measure, see Glossary on pages 122 to 126.

6. Finance costs

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank overdraft	467	1,870	2,337	167	665	832
Total	**467**	**1,870**	**2,337**	**167**	**665**	**832**

Finance costs for the Company, insofar as they relate to the financing of the Company's investments, are charged 20% to the revenue account and 80% to the capital account of the Income Statement.

7. Taxation

(a) Analysis of charge for the year

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Current taxation:						
Overseas tax suffered	709	11	720	790	–	790
Total taxation charge (note 7 (b))	**709**	**11**	**720**	**790**	**–**	**790**

(b) Factors affecting taxation charge for the year

The taxation assessed for the year is lower (2023: lower) than the standard rate of corporation tax used of 25.00% (2023: blended rate of corporation tax of 21.52% based on a rate of 19.00% up to 31 March 2023 and a rate of 25.00% from 1 April 2023). The differences are explained below.

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit on ordinary activities before taxation	8,088	84,242	92,330	7,710	84,671	92,381
Profit on ordinary activities multiplied by standard rate of 25.00% (2023: blended rate of 21.52%)	2,022	21,061	23,083	1,659	18,221	19,880
Effects of:						
Overseas tax suffered	709	11	720	790	–	790
Exchange gain not taxable	–	(269)	(269)	–	(247)	(247)
Overseas dividends not subject to tax	(2,791)	(8)	(2,799)	(2,139)	–	(2,139)
UK dividends not subject to tax	(202)	–	(202)	(164)	–	(164)
Movement in management expenses not utilised/ recognised	459	994	1,453	357	765	1,122
Non-trade loan relationship deficit not utilised/ recognised	123	377	500	41	143	184
Disallowed expenses	389	2	391	246	19	265
Interest expense disallowed	–	91	91	–	–	–
Capital gains not taxable	–	(22,248)	(22,248)	–	(18,901)	(18,901)
Total taxation charge (note 7(a))	**709**	**11**	**720**	**790**	**–**	**790**

At 31 August 2024, the Company had net surplus management expenses of £50.4 million (2023: £44.6million) and a non-trade loan relationship deficit of £4.1 million (2023: £2.1 million) giving total unutilised losses of £54.5 million (2023: £46.7 million) and carried forward disallowed interest expense of £0.4 million (2023: £nil).

A deferred tax asset has not been recognised in respect of these amounts because the Company is not expected to generate taxable income in the future in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing tax losses and carried forward disallowed interest expense. The Company has an unrecognised deferred tax asset of £13.7 million (2023: £11.7 million) as at 31 August 2024 based on the corporation tax rate in effect from 1 April 2023 of 25%, as enacted by the Finance Act 2021. This includes £0.1m (2023: £nil) of interest disallowed under the CIR regime which can potentially be reactivated in a later period.

Notes to the Financial Statements
continued

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2024 £'000	2023 £'000
2022 Final dividend of 4.85p	18 November 2022	16 December 2022	–	4,899
2023 Interim dividend of 1.75p	19 May 2023	19 June 2023	–	1,767
2023 Final dividend of 5.00p	17 November 2023	20 December 2023	5,041	–
2024 Interim dividend of 1.75p	24 May 2024	19 June 2024	1,752	–
			6,793	**6,666**

The Directors have proposed a final dividend of 5.25p per share in respect of the year ended 31 August 2024. The final dividend will be paid on 20 December 2024, subject to shareholders' approval on 10 December 2024, to shareholders on the Company's register on 22 November 2024. The proposed final dividend has not been included as a liability in these financial statements as final dividends are only recognised in the financial statements when they have been approved by shareholders.

The total dividends payable in respect of the year which form the basis of determining retained income for the purpose of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amount proposed for the year ended 31 August 2024, meet the relevant requirements as set out in this legislation.

Dividends paid or proposed on equity shares	2024 £'000	2023 £'000
Interim paid of 1.75p (2023: 1.75p)	1,752	1,767
Final proposed of 5.25p* (2023: 5.00p)	5,158	5,041
	6,910	**6,808**

* Based on 98,238,150 ordinary shares (excluding treasury shares) in issue on 4 November 2024.

All dividends paid or payable are distributed from the Company's current year revenue profits and, if required, from brought forward revenue reserves.

9. Earnings and net asset value per ordinary share

Revenue, capital earnings and net asset value per ordinary share are shown below and have been calculated using the following:

	2024	**2023**
Net revenue profit attributable to ordinary shareholders (£'000)	7,379	6,920
Net capital profit attributable to ordinary shareholders (£'000)	84,231	84,671
Total profit attributable to ordinary shareholders (£'000)	**91,610**	**91,591**
Total shareholders' funds (£'000)	**640,300**	**565,710**
Earnings per share		
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	100,411,682	101,067,709
The actual number of ordinary shares in issue at the end of the year on which the net asset value per ordinary share was calculated was:	99,332,161	101,000,161
Calculated on weighted average number of ordinary shares:		
Revenue earnings per share (pence) – basic and diluted	7.35	6.85
Capital earnings per share (pence) – basic and diluted	83.88	83.77
Total earnings per share (pence) – basic and diluted	**91.23**	**90.62**

	As at 31 August 2024	**As at 31 August 2023**
Net asset value per share (pence)	644.60	560.11
Ordinary share price (pence)	601.00	527.00

There were no dilutive securities at the year end (2023: none).

Notes to the Financial Statements
continued

10. Investments held at fair value through profit or loss

	2024 £'000	2023 £'000
UK listed equity investments	44,732	36,308
Overseas listed equity investments	647,099	558,419
Valuation of listed investments at 31 August	**691,831**	**594,727**
Opening book cost of equity investments	445,733	423,321
Investment holding gains	148,994	54,495
Opening fair value	**594,727**	**477,816**
Analysis of transactions made during the year:		
Purchases at cost	141,512	117,216
Sales proceeds received	(133,399)	(88,135)
Gains on investments	88,991	87,830
Closing fair value	**691,831**	**594,727**
Closing book cost of equity investments	462,977	445,733
Closing investment holding gains	228,854	148,994
Total investments	**691,831**	**594,727**

The Company received £133,399,000 (2023: £88,135,000) from investments sold in the year. The book cost of these investments when they were purchased was £124,268,000 (2023: £94,804,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of investments.

Transaction costs of £211,000 were incurred on the acquisition of investments (2023: £342,000). Costs relating to the disposal of investments during the year amounted to £71,000 (2023: £74,000). All transaction costs have been included within capital reserves.

11. Debtors

	2024 £'000	2023 £'000
Sales for future settlement	482	1,272
Prepayments and accrued income	266	245
Total	**748**	**1,517**

12. Other creditors

	2024 £'000	2023 £'000
Purchases for future settlement	331	1,292
Share buybacks awaiting settlement	301	–
Accrued expenditure	4,605	3,975
Total	**5,237**	**5,267**

13. Reconciliation of liabilities arising from financing activities

	2024 £'000	2023 £'000
Bank overdraft at beginning of the year	27,617	182
Cash flows:		
Movement in overdraft	23,229	27,934
Non cash flows:		
Effects of foreign exchange gain	(696)	(499)
Bank overdraft at end of the year	**50,150**	**27,617**

14. Called up share capital

	Ordinary shares number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 0.1 pence each:				
At 31 August 2023	101,000,161	16,928,777	117,928,938	117
Ordinary shares repurchased into treasury	(1,668,000)	1,668,000	–	–
At 31 August 2024	**99,332,161**	**18,596,777**	**117,928,938**	**117**

During the year, 1,668,000 ordinary shares (2023: 698,692) were repurchased and held in treasury for a net consideration after expenses of £10,227,000 (2023: £3,014,000).

Since 31 August 2024 and up to the latest practicable date of 4 November 2024, a further 1,094,011 ordinary shares have been repurchased for a net consideration after expenses of £6,330,000 and placed in treasury.

15. Reserves

			Distributable Reserves			
	Share premium account £'000	Capital redemption reserve £'000	Special reserve[1] £'000	Capital reserve (arising on investments sold) £'000	Capital reserve (arising on revaluation of investments held) £'000	Revenue reserve £'000
At 31 August 2023	85,325	130	68,558	251,181	149,450	10,949
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	4,166	80,065	7,379
Transaction with owners, recorded directly to equity:						
Ordinary shares repurchased into treasury	–	–	(10,171)	–	–	–
Share buyback costs	–	–	(56)	–	–	–
Dividends paid during the year	–	–	–	–	–	(6,793)
At 31 August 2024	**85,325**	**130**	**58,331**	**255,347**	**229,515**	**11,535**

Notes to the Financial Statements
continued

15. Reserves continued

			Distributable Reserves			
	Share premium account £'000	Capital redemption reserve £'000	Special reserve[1] £'000	Capital reserve (arising on investments sold) £'000	Capital reserve (arising on revaluation of investments held) £'000	Revenue reserve £'000
At 31 August 2022	85,325	130	71,572	261,370	54,590	10,695
Movement during the year:						
Total comprehensive (loss)/income:						
Net (loss)/profit for the year	–	–	–	(10,189)	94,860	6,920
Transaction with owners, recorded directly to equity:						
Ordinary shares repurchased into treasury	–	–	(3,001)	–	–	–
Share buyback costs	–	–	(13)	–	–	–
Dividends paid during the year	–	–	–	–	–	(6,666)
At 31 August 2023	**85,325**	**130**	**68,558**	**251,181**	**149,450**	**10,949**

[1] Relates to amount transferred from the share premium account to a special reserve pursuant to Court approval received on 15 October 2004.

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments held of £229,515,000 (2023: gain of £149,450,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks, as such the capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

16. Risk management policies and procedures

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brge for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM). However, as disclosed in the Corporate Governance Statement on pages 67 and 68 and in the Statement of Directors' Responsibilities on page 77, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third-party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brge.

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit and Management Engagement Committee twice yearly on key risk metrics and risk management processes. In addition, the Depositary monitors the performance of the AIFM and reports to the Audit and Management Engagement Committee. Any significant issues are reported to the Board as they arise.

Risk exposures

The risk exposures of the Company are set out as follows:

(a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by currency, interest rate and other price movements. It represents the potential loss the Company may suffer through holding market positions in financial instruments in the face of market movements.

A key metric RQA uses to measure market risk is Value-at-Risk (VaR) which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables (including other price risk, foreign currency risk and interest rate risk) unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR percentage amounts. These limitations and the nature of the VaR measure mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one-day VaR as at 31 August 2024 and 31 August 2023 (based on a 99% confidence level) was 3.00% and 2.83%, respectively.

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued

(i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

The fair values of the Company's monetary items which have foreign currency exposure at 31 August 2024 and 31 August 2023 are shown below. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2024				2023			
	Euro	Swiss Franc	Danish Krone	Other	Euro	Danish Krone	Swiss Franc	Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Debtors (due from brokers, dividends and other income receivable)	1,976	948	397	490	2,211	572	759	79
Creditors (due to brokers and other payables)	(482)	–	–	(481)	(351)	(653)	–	(317)
Cash at bank	–	–	–	8	–	–	–	–
Bank overdraft	(50,091)	–	–	–	(27,437)	–	–	–
Total foreign currency exposure on net monetary items	**(48,597)**	**948**	**397**	**17**	**(25,577)**	**(81)**	**759**	**(238)**
Investments at fair value through profit or loss	441,349	115,041	72,724	62,717	366,069	106,277	93,953	28,428
Total net foreign currency exposure	**392,752**	**115,989**	**73,121**	**62,734**	**340,492**	**106,196**	**94,712**	**28,190**

Concentration of exposure to foreign currency risks

An analysis of the Company's investment portfolio is shown on pages 25 and 26. At 31 August 2024, this shows that the portfolio had significant levels of investments in Europe. Accordingly, there is a concentration of exposure to Europe and equates to exposure to the economic conditions in Europe, though it is recognised that this aligns with the investment objective and policy adopted by the Company.

Management of foreign currency risk

The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board of the Company on a regular basis.

The Investment Manager measures 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 exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowing facilities are available in the form of a multi-currency overdraft facility to limit the Company's exposure to anticipated future changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. Derivative contracts are not used to hedge against exposure to foreign currency risk.

Consequently, the Company is exposed to risks that the exchange rate of its reporting currencies relative to other currencies may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies.

(ii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk specifically through its cash holdings and variable rate borrowings. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits and the level of interest payable on variable rate borrowings. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

Interest rate exposure
The exposure at 31 August 2024 and 31 August 2023 of financial assets and liabilities to interest rate risk is shown by reference to:

– floating interest rates – when the interest rate is due to be re-set; and

– fixed interest rates – when the financial instrument is due for repayment.

	2024			2023		
	Within one year £'000	More than one year £'000	Total £'000	Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates:						
Cash at bank	8	–	8	–	–	–
Bank overdraft	(50,150)	–	(50,150)	(27,617)	–	(27,617)
Total exposure to interest rates	**(50,142)**	**–**	**(50,142)**	**(27,617)**	**–**	**(27,617)**

The Company does not have any fixed rate exposure at 31 August 2024 or 31 August 2023.

Management of interest rate risk
The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowings under the multi-currency overdraft facility. Derivative contracts are not used to hedge against the exposure to interest rate risk. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

The Company finances part of its operating activities through borrowings at levels approved and monitored by the Board of the Company.

Interest received on cash balances, or paid on the bank overdraft respectively, is approximately 4.90% and 8.21% per annum (2023: 0.97% and 5.36% per annum).

(iii) Market risk arising from other price risk
Exposure to other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change, or other events could have a significant impact on the Company and market prices of its investments and could result in increased premiums or discounts to the Company's net asset value.

The Company is exposed to market price risk arising from its equity investments. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by the VaR analysis under the market risk section on page 101.

The Company's exposure to other changes in market prices at 31 August 2024 on its equity investments was £691,831,000 (2023: £594,727,000).

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued

Management of other price risk

By diversifying the portfolio, where this is appropriate and consistent with the Company's objectives, the risk that a price change of a particular investment will have a material impact on the NAV of the Company is reduced which is in line with the investment objectives of the Company.

(b) Counterparty credit risk

Counterparty credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell equity investments.

The major counterparties engaged with the Company are all widely recognised and regulated entities.

There were no past due or impaired assets as of 31 August 2024 (2023: none).

Depositary

The Company's Depositary is The Bank of New York Mellon (International) Limited (BNY or the Depositary) (S&P long-term credit rating as at 31 August 2024: AA- (2023: AA-)). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNY) as the Company's Custodian (as sub-delegated by the Depositary). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Company's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 31 August 2024 is the total value of investments held with the Depositary/Custodian and cash and cash equivalents in the Balance Sheet.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus, in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk. The Company will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Company's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company.

Counterparties/brokers

All transactions in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has made payment. Payment is made on a purchase once the securities have been delivered by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk also arises on transactions with a broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the broker used. The Company monitors the credit rating and financial position of the broker used to further mitigate this risk.

Cash held by a counterparty is subject to the credit risk of the counterparty as the Company's access to its cash could be delayed should the counterparty become insolvent or bankrupt.

The following table details the total number of counterparties to which the Company is exposed, the maximum exposure to any one counterparty, any collateral held by the Company against this exposure, the total exposure to all other counterparties and the lowest long-term credit rating of any one counterparty (or its ultimate parent if unrated).

Year	Total number of counterparties	Maximum exposure to any one counterparty[1]	Total exposure to all other counterparties[1]	Lowest credit rating of any one counterparty[2]
		£'000	£'000	
2024	**2**	**482**	**8**	**A+**
2023	3	735	537	BBB

[1] Calculated on a net exposure basis.

[2] Standard & Poor's ratings.

Debtors
Amounts due from debtors are disclosed on the Balance Sheet as Debtors.

The counterparties included in debtors are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk (RQA CCR) team. The Company monitors the ageing of debtors to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 31 August 2024 and 31 August 2023 was as follows:

	2024 £'000	2023 £'000
Cash at bank	8	–
Sales for future settlement	482	1,272
Other debtors	266	245
	756	**1,517**

Management of counterparty credit risk
Credit risk is monitored and managed by RQA CCR. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The counterparty credit risk is managed as follows:

– transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;

– the creditworthiness of financial institutions with whom cash is held is reviewed regularly by RQA CCR; and

– RQA CCR review the credit standard of the Company's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

The Board monitors the Company's counterparty risk by reviewing:

– the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's Custodian where controls are reviewed and tested;

– the Custodian's Service Organisation Control (SOC 1) reports which include a report by the Custodian's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the custodian's control processes;

– the Manager's internal control report which includes a report by the Manager's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and

– in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

(c) Liquidity risk
This is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company had an available overdraft facility of the lower of £75 million or 15% of the Company's net assets (2023: lower of £60 million or 15% of the Company's net assets).

Notes to the Financial Statements
continued

16. Risk management policies and procedures continued

Liquidity risk exposure

The undiscounted gross cash outflows of the financial liabilities as at 31 August 2024 and 31 August 2023, based on the earliest date on which payment can be required, were as follows:

	2024 Within 3 months £'000	2023 Within 3 months £'000
Current liabilities:		
Bank overdraft	50,150	27,617
Purchases for future settlement	331	1,292
Share buybacks awaiting settlement	301	–
Other creditors	4,605	3,975
	55,387	**32,884**

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. Liquidity risk is not significant as the majority of the Company's assets are investments in listed securities that are readily realisable.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note to the Financial Statements on page 91.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less active, or other valuation techniques where significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in the measurement of Level 3 assets or liabilities.

Fair values of financial assets and financial liabilities
The table below is an analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss at 31 August 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	691,830	–	1	691,831
Total	**691,830**	**–**	**1**	**691,831**

Financial assets at fair value through profit or loss at 31 August 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	593,785	–	942	594,727
Total	**593,785**	**–**	**942**	**594,727**

The Company held two Level 3 securities as at 31 August 2024 (2023: four).

A reconciliation of fair value measurement in Level 3 is set out below.

Level 3 Financial assets at fair value through profit or loss	2024 £'000	2023 £'000
Opening fair value	942	3
(Loss)/gain on investments included in gains on investments in the Income Statement	(941)	939
Closing balance	**1**	**942**

As at 31 August 2024, the investments in Sberbank and Lukoil have been valued at a nominal value of £0.01 due to closure of the Moscow Stock Exchange to overseas investors and the secondary listings of depositary receipts of Russian companies having been suspended from trading. At the time of the invasion on 23 February 2022, the original book cost of these holdings was £28.7m and its carrying value was £20.7m and these amounts were fair valued to a nominal value of £0.01 on 3 March 2022.

For exchange listed equity investments, the quoted price is the bid price. Substantially, all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any price related risks, including climate risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

17. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to secure long-term capital growth primarily through investing in securities of large, mid and smaller capitalisation European companies, together with some investments in the developing markets of Europe.

This is to be achieved through an appropriate balance of equity, capital and gearing. The policy is that gearing should not exceed 15% of net assets. The Company's objectives, policies and processes for managing capital remain unchanged from the preceding accounting period.

The Company's total capital as at 31 August 2024 was £640,300,000 (2023: £565,710,000) comprised of equity, capital and other reserves.

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and

Notes to the Financial Statements
continued

17. Capital management policies and procedures continued

- the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject. In addition, the Company has complied with any covenants in relation to the overdraft agreement.

18. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on page 51.

The investment management fee is levied quarterly based on a tiered basis: 0.85% per annum on the month-end net asset value up to £350 million and 0.75% per annum on the month-end net asset value above £350 million. Up to and including 31 December 2022, the investment management fee was levied quarterly, based on 0.85% per annum of the net asset value on the last day of each month. The investment management fee due for the year ended 31 August 2024 amounted to £4,970,000 (2023: £4,442,000). At the year end, £3,872,000 was outstanding in respect of these fees (2023: £3,426,000).

In addition to the above services, BIM (UK) provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 August 2024 amounted to £157,000 excluding VAT (2023: £97,000). Marketing fees of £198,000 were outstanding at 31 August 2024 (2023: £168,000).

During the year, the Manager pays the amounts due to the Directors. These fees are then reimbursed by the Company for the amounts paid on its behalf. As at 31 August 2024, an amount of £205,000 was payable to the Manager in respect of Directors' fees (2023: £113,000).

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

19. Related party disclosure

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 58 and 60. At 31 August 2024, an amount of £15,000 (2023: £14,000) was outstanding in respect of Directors' fees.

Significant holdings
The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock Inc. (Related BlackRock Funds); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

	Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
As at 31 August 2024	1.3	n/a	n/a
As at 31 August 2023	1.4	n/a	n/a

20. Contingent liabilities

There were no contingent liabilities at 31 August 2024 (2023: none).

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Additional information

Whilst French luxury goods manufacturer LVMH was a detractor during the period, we believe the long-term holding is well positioned to return to growth through a balance of product, price and volume.

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

April	Half yearly figures announced and Half Yearly Financial Report published.
May	Interim dividend paid.
November	Annual results and final dividend for year announced. Annual Report and Financial Statements published.
December	Annual General Meeting.
December	Final dividend paid.

Dividend – 2024

The proposed final dividend in respect of the year ended 31 August 2024 is 5.25p per share. The Board also declared an interim dividend of 1.75p per share which was paid on 19 June 2024 to shareholders on the register on 24 May 2024.

Ex-dividend date (shares transferred without the dividend)	21 November 2024
Record date (last date for registering transfers to receive the dividend)	22 November 2024
Last date for registering DRIP instructions	29 November 2024
Dividend payment date	20 December 2024

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0370 707 1163, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Confirmation of dividends paid will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0370 707 1163. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 29 November 2024.

Share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at www.blackrock.com/uk/brge.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB00B01RDH75
SEDOL	B01RDH7
Reuters Code	BRGE.L
Bloomberg Code	BRGE LN

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is currently £500. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company will continue to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Risk factors

- Past performance is not necessarily a guide to future performance.
- The value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their net asset value (NAV) (although they are related) and therefore you may realise returns which are lower or higher than NAV performance.

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting www.investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or dividend confirmation statement.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at www.eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Shareholder information

continued

Publication of net asset value/portfolio analysis

The net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/brge and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Individual Savings Account (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2024/2025 tax year, investors have an annual ISA allowance of £20,000 (2023/2024: £20,000) which can be invested in either cash or shares.

Online access

Other details about the Company are available on the website at www.blackrock.com/uk/brge. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at www.investorcentre.co.uk. To access Computershare's website, you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, dividend confirmation statement or other electronic communications you have previously received from Computershare. The address of the Computershare website is www.investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1163.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries

Enquiries about the Company should be directed to:

The Company Secretary
BlackRock Greater Europe Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Analysis of ordinary shareholders

as at 31 August 2024
(unaudited)

By type of holder

	Number of shares[1]	% of total 2024	% of total 2023	Number of holders	% of total 2024	% of total 2023
Direct private investors	21,013,466	21.1	21.8	6,322	94.8	94.8
Banks and nominee companies	77,115,582	77.6	77.2	281	4.2	4.2
Others	1,253,113	1.3	1.0	65	1.0	1.0
	99,382,161	**100.0**	**100.0**	**6,668**	**100.0**	**100.0**

By size of holding

	Number of shares[1]	% of total 2024	% of total 2023	Number of holders	% of total 2024	% of total 2023
1-5,000	9,904,359	10.0	10.3	5,311	79.6	79.6
5,001-100,000	16,048,793	16.1	16.1	1,276	19.1	19.2
100,001-1,000,000	20,575,392	20.7	21.1	65	1.0	0.9
1,000,001-5,000,000	30,525,405	30.7	28.6	14	0.2	0.2
Over 5,000,000	22,328,212	22.5	23.9	2	0.1	0.1
	99,382,161	**100.0**	**100.0**	**6,668**	**100.0**	**100.0**

[1] Excludes treasury shares of 18,546,777 and unsettled share buybacks of 50,000 shares into treasury as at 31 August 2024.

Historical record
(unaudited)

Year ended 31 August	Ordinary shares in issue ex. Treasury	Treasury shares	Net assets attributable to ordinary shareholders £'000	Net asset value per ordinary share – undiluted p	Ordinary share price p	Revenue attributable to ordinary shareholders £'000	Revenue earnings per share p	Dividend per share p
2006	130,238,932	3,466,164	206,273	158.38	151.00	3,396	2.53	2.00
2007	119,843,969	4,885,076	221,331	184.68	179.00	3,823	3.06	2.40
2008	112,388,958	2,728,833	191,040	169.98	156.75	4,308	3.73	3.00
2009	105,124,598	1,696,092	172,713	164.29	153.75	3,519	3.26	3.15
2010	99,042,423	2,642,046	174,375	176.06	159.25	3,194	3.13	3.30
2011	95,859,314	1,739,788	178,535	186.25	181.00	6,581	6.77	3.50[1]
2012	119,793,123	4,760,637	223,041	186.19	175.00	5,984	5.52	4.20
2013	108,719,211	5,718,353	254,941	234.49	228.75	7,295	6.32	4.50[2]
2014	108,828,058	5,429,676	258,987	237.98	228.50	4,964	4.59	4.70
2015	104,309,663	5,488,898	261,459	250.66	244.00	5,609	5.28	5.00
2016	102,603,113	7,725,825	294,908	287.43	272.00	5,782	5.60	5.30
2017	95,295,953	15,032,985	330,727	347.05	328.00	5,172	5.33	5.45
2018	86,459,691	23,869,247	330,419	382.17	363.00	5,347	5.95	5.75
2019	84,713,101	25,615,837	338,442	399.52	385.00	4,160	4.87	5.85
2020	84,323,101	26,005,837	387,861	459.97	447.00	5,776	6.85	6.15
2021	96,055,411	17,573,527	651,731	678.49	692.00	3,595	4.13	6.30
2022	101,698,853	16,230,085	483,799	475.72	456.00	7,728	7.65	6.60
2023	101,000,161	16,928,777	565,710	560.11	527.00	6,920	6.85	6.75
2024	**99,332,161**	**18,596,777**	**640,300**	**644.60**	**601.00**	**7,379**	**7.35**	**7.00**

[1] Excluding a special dividend of 2.50p per share.
[2] Excluding a special dividend of 1.00p per share.

Management and other service providers

Registered Office

(Registered in England, No. 5142459)
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager and Secretary

BlackRock Investment Management (UK) Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Alternative Investment Fund Manager

BlackRock Fund Managers Limited[1]
12 Throgmorton Avenue
London EC2N 2DL

Depositary, Custodian, Banker and Fund Accountant

The Bank of New York Mellon (International) Limited[1]
160 Queen Victoria Street
London EC4V 4LA

Registrar

Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1163

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Stockbrokers

Cavendish Securities plc[1]
One Bartholomew Close
London EC1A 7BL

Solicitors

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG

[1] Authorised and regulated by the Financial Conduct Authority.

AIFMD disclosures
(unaudited)

Remuneration related disclosures in accordance with Article 22(2) of the AIFMD, Article 107 of the AIFMD Regulations and Section XIII of the ESMA Guidelines on sound remuneration policies under the AIFMD

The below disclosures are made in respect of the remuneration policies of the BlackRock group ("BlackRock"), as they apply to BlackRock Fund Managers Limited (the "Manager"). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the "AIFM Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD, and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the UK version of the Directive.

The Manager has adopted the AIFM Remuneration Policy, a summary of which is set out below.

Quantitative remuneration disclosure
The Manager is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Remuneration information at an individual AIF level is not readily available. Disclosures are provided in relation to: (a) the staff of the Manager; (b) staff who are senior management; (c) staff who have the ability to materially affect the risk profile of the Company; and (d) staff of companies to which portfolio management and risk management has been formally delegated.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager and the broader BlackRock group. Accordingly, the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ended 31 December 2023 is US$171.29 million. This figure is comprised of fixed remuneration of US$98.27 million and variable remuneration of US$73.02 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2023, to its senior management was US$6.11 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was US$4.20 million. These figures relate to the entire Manager and not to the Company.

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. Consistent with its investment objective and policy, the Company may also utilise derivative instruments as part of its investment policy.

The use of derivatives may expose the Company to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase the Company's volatility. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. No derivatives were used for leverage purposes during the year.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

	Commitment leverage as at 31 August 2024	Gross leverage as at 31 August 2024
Leverage ratio	1.16	1.16

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 16 of the notes to the Financial Statements.

Pre investment disclosures

The AIFMD requires certain information to be made available to investors in Alternative Investment Funds (AIFs) before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brge.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
5 November 2024

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking.

9.8.4 (7) The Company has not allotted any equity securities for cash in the period under review.

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

For and on behalf of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
5 November 2024

Depositary report

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA
T +44 (0)20 7570 1784

25 September 2024

To the Board of Directors
BlackRock Greater Europe Investment Trust Plc
12 Throgmorton Avenue,
London
EC2N 2DL

Dear Sir / Madam,

Re: BlackRock Greater Europe Investment Trust Plc ('the Entity')

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the BlackRock Greater Europe Investment Trust Plc ("the Company") for the Period Ended 31 August 2024.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Company's Articles of Association.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of the assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

• the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;

• the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;

• the assets under management and the net asset value per share of the Company are calculated in accordance with the Regulations;

• any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;

• that the Company's income is applied in accordance with the Regulations; and

• the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Articles of Association in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Articles of Association of the Company and as required by the AIFMD.

Glossary

Alternative Performance Measure (APM)
An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Annual Report and Financial Statements.

Closed-end company
An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open-ended funds and can therefore invest in less liquid investments.

Discount and premium*
Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

As at 31 August 2024, the share price was 601.00p (31 August 2023: 527.00p) and the NAV was 644.60p (31 August 2023: 560.11p); therefore, the discount was 6.8% (31 August 2023: 5.9%) (please see note 9 of the financial statements on page 97 for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 520.00p and the NAV was 515.00p, the premium would be 1.0%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings*
Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing works by magnifying the Company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital and borrowings.

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets of the Company less current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the following table.

* Alternative Performance Measure.

Net gearing calculation	Page	31 August 2024 £'000	31 August 2023 £'000	
Net assets	88	640,300	565,710	(a)
Borrowings[1]	88	50,150	27,617	(b)
Total assets (a + b)		690,450	593,327	(c)
Current assets[2]	88	3,856	3,867	(d)
Current liabilities (excluding borrowings)	88	(5,237)	(5,267)	(e)
Net current liabilities (d + e)		(1,381)	(1,400)	(f)
Net gearing (g = (c – f – a)/a) (%)		**8.0**	**5.1**	**(g)**

[1] Includes bank overdraft.
[2] Includes cash at bank.

The audited inputs for this calculation can be found in the Balance Sheet in the Financial Statements.

Leverage

Leverage is defined in the AIFM Directive as 'any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means'.

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an 'exposure' under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond" should be excluded from exposure calculations.

Net asset value per share (capital only NAV)*

The capital only NAV per share is a point of reference when comparing a range of investment trusts. This NAV per share focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 August 2024, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £634,673,000 (31 August 2023: £560,557,000) and there were 99,332,161 (31 August 2023: 101,000,161) ordinary shares in issue (excluding treasury shares); therefore, the capital only NAV per share was 638.94p (31 August 2023: 555.01p).

Equity shareholders' funds (excluding current period revenue) of £634,673,000 (31 August 2023: £560,557,000) are calculated by deducting from the Company's net assets £640,300,000 (31 August 2023: £565,710,000) its current period revenue £7,379,000 (31 August 2023: £6,920,000) and adding back the interim dividends £1,752,000 (31 August 2023: £1,767,000).

* Alternative Performance Measure.

Glossary
continued

Net asset value per share (Cum income NAV)
This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing "equity shareholders' funds" by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 August 2024, equity shareholders' funds were worth £640,300,000 (31 August 2023: £565,710,000) and there were 99,332,161 (31 August 2023: 101,000,161) ordinary shares in issue (excluding treasury shares); the cum income NAV was therefore 644.60p (31 August 2023: 560.11p) per ordinary share (please see note 9 of the financial statements for the audited inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

NAV and share price return (return with dividends reinvested)*
Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 9 of the financial statements for the inputs to the calculations).

NAV total return	Page	31 August 2024	31 August 2023	
Closing NAV per share (pence) – basic and diluted	97	644.60	560.11	
Add back interim and final dividends (pence)	96	6.75	6.60	
Effect of dividend reinvestment (pence)		0.73	0.55	
Adjusted closing NAV (pence)		652.08	567.26	(a)
Opening NAV per share (pence)	97	560.11	475.72	(b)
NAV performance (c = ((a – b)/b)) (%)		**16.4**	**19.2**	**(c)**

Share total return	Page	31 August 2024	31 August 2023	
Closing share price (pence) – basic and diluted	97	601.00	527.00	
Add back interim and final dividends (pence)	96	6.75	6.60	
Effect of dividend reinvestment (pence)		0.75	0.50	
Adjusted closing share price (pence)		608.50	534.10	(a)
Opening share price (pence)	97	527.00	456.00	(b)
Share price performance (c = ((a – b)/b)) (%)		**15.5**	**17.1**	**(c)**

* Alternative Performance Measure.

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average daily undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are the Company's management fee and all other operating expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation	Page	31 August 2024 £'000	31 August 2023 £'000	
Management fee	93	4,970	4,442	
Other operating expenses[1]	94	875	813	
Total management fee and other operating expenses		5,845	5,255	(a)
Average daily net assets in the year		613,685	537,913	(b)
Ongoing charges (c = a/b) (%)		**0.95**	**0.98**	**(c)**

[1] Excluding prior year expenses written back of £12,000 and provision for doubtful debts of £1,557,000 (31 August 2023: prior year expenses written back of £23,000 and provision for doubtful debts of £1,144,000).

Quoted securities and unquoted securities

Quoted securities are securities that trade on an exchange for which there is a publicly quoted price.

Unquoted securities are financial securities that do not trade on an exchange and for which there is not a publicly quoted price.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. The revenue reserve is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses.

They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

* Alternative Performance Measure.

Contents

Glossary
continued

Total dividends and yield*

Total dividends represent total quarterly and final dividends declared by the Company for a particular year. The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

	Page	31 August 2024	31 August 2023	
Interim and final dividends paid/payable (pence)[1]	96	7.00	6.75	(a)
Ordinary share price (pence)		601.00	527.00	(b)
Yield (c = a/b) (%)		**1.2**	**1.3**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 31 August.

* Alternative Performance Measure.

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Annual general meeting

Global multinational chemical company Linde was a new addition to the portfolio during the year. The world's largest industrial gas company by market share and revenue, Linde also possesses the world's largest liquid hydrogen capacity and distribution system.

PHOTO COURTESY OF LINDE

Notice of annual general meeting

Notice is hereby given that the twentieth Annual General Meeting of BlackRock Greater Europe Investment Trust plc will be held at 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 10 December 2024 at 12.00 noon to consider and, if thought fit, pass Resolutions 1 to 12 inclusive as ordinary resolutions and Resolutions 13 to 16 as special resolutions.

More information in respect of the contribution of each Director to support their re-election is given in the Directors' Report on pages 55 and 56.

Ordinary business

1. To receive the report of the Directors and the financial statements for the year ended 31 August 2024, together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 August 2024, excluding any content relating to the remuneration policy of the Company.

3. To declare a final dividend for the year ended 31 August 2024 of 5.25p for each ordinary share in the capital of the Company.

4. To re-elect Mr P Baxter as a Director.

5. To re-elect Mr E F Sanderson as a Director.

6. To re-elect Dr P Subacchi as a Director.

7. To re-elect Mr I R Sayers as a Director.

8. To elect Ms S H Shah as a Director.

9. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

10. To authorise the Audit and Management Engagement Committee to determine the auditors' remuneration.

Special business

11. That pursuant to Article 105 of the Company's Articles of Association, the aggregate maximum fees payable to the Directors (other than alternate Directors) for their service in the office of Director per annum (excluding amounts payable under any other provision of the Articles) shall be increased to £300,000 per annum.

Ordinary resolution

12. That, in substitution for all existing authorities, the Directors of the Company be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £9,823.81 (being 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice) provided that this authority shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2025, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

13. That, in substitution for all existing authorities and subject to the passing of the resolution numbered 12, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) to:

    (a) allot up to 9,823,815 ordinary shares of 0.1p each in the Company (Ordinary Shares) with a maximum nominal amount of £9,823.81 (representing 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice) at a premium to the most recently published net asset value per Ordinary Share prior to such allotment; and

(b) resell up to 9,823,815 Ordinary Shares with a maximum nominal amount of £9,823.81 (representing 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice) held by the Company in treasury (and, for the purposes of LR 15.4.11 R of the Listing Rules of the UK Listing Authority, such Ordinary Shares being permitted to be sold or transferred out of treasury for cash at a price which represents a premium to the most recently published net asset value per Ordinary Share prior to such sale);

in each case wholly for cash as if Section 561(1) of the Act did not apply to any such allotment or sale provided that this power shall (unless previously revoked) expire at the conclusion of the Company's Annual General Meeting to be held in 2025, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot such Ordinary Shares pursuant to any such offer or agreement as if the power conferred hereby had not expired.

14. That, in substitution for the Company's existing authority to make market purchases of ordinary shares of 0.1p each in the Company (Ordinary Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases of Ordinary Shares (within the meaning of Section 693 of the Act) provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 14,725,898 or, if less, that number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) as at 10 December 2024;

(b) the minimum price which may be paid for any such Ordinary Share shall be 0.1p;

(c) the maximum price which may be paid for any such Ordinary Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Ordinary Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid for, any number of Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2025 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry.

All Ordinary Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

15. That, in addition to the authority given to the Company to purchase its own shares pursuant to the resolution numbered 14 above and in accordance with the terms and conditions of the Company's regular tender offers, the Company be and is hereby authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of Section 693 of the Act) of its ordinary shares of 0.1p each (Ordinary Shares), provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 19,647,630 or, if less, that number of Ordinary Shares which is equal to 20% of the Ordinary Shares in issue as at 31 May 2025 (excluding any Ordinary Shares held in treasury);

(b) the price which may be paid for an Ordinary Share shall be an amount equal to 98% of the net asset value per Ordinary Share (calculated on a fully diluted basis) as at 31 May 2025 (or the succeeding business day); and

(c) the authority hereby conferred shall expire on 31 July 2025 (unless such authority is renewed prior to such time) save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

Notice of annual general meeting
continued

16. That, in addition to the authority given to the Company to purchase its own shares pursuant to the resolutions numbered 14 and 15 above and in accordance with the terms and conditions of the Company's regular tender offers, the Company be and is hereby authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases (within the meaning of Section 693 of the Act) of its ordinary shares of 0.1p each (Ordinary Shares), provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 19,647,630 or, if less, that number of Ordinary Shares which is equal to 20% of the Ordinary Shares in issue as at 30 November 2025 (excluding any Ordinary Shares held in treasury);

    (b) the price which may be paid for an Ordinary Share shall be an amount equal to 98% of the net asset value per Ordinary Share (calculated on a fully diluted basis) as at 30 November 2025 (or the succeeding business day); and

    (c) the authority hereby conferred shall expire on 31 January 2026 (unless such authority is renewed prior to such time) save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after such expiry.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
5 November 2024

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

2. To appoint a proxy you may use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions thereon as soon as possible and in any event by not later than 12.00 noon on 6 December 2024 (Saturdays, Sundays and public holidays excepted). Amended instructions must also be received by the Company's registrar by the deadline for receipt of Forms of Proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the Form of Proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 6 December 2024 (Saturdays, Sundays and public holidays excepted).

3. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 noon on 6 December 2024 (Saturdays, Sundays and public holidays excepted) in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

4. Completion and return of the Form of Proxy will not prevent you from attending the meeting and voting in person.

5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.

6. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.

7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. two days prior to the time fixed for the meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.

8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrar not later than 48 hours before the start of the meeting. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.

10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notice of annual general meeting
continued

11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

14. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are laid before the meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brge.

16. As at 4 November 2024 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital comprised 98,238,150 ordinary shares of 0.1p each, excluding shares held in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company as at 4 November 2024 is 98,238,150.

17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Share fraud warning

Be ScamSmart

FCA FINANCIAL CONDUCT AUTHORITY

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1. **Reject cold calls**
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2. **Check the FCA Warning List**
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3. **Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

Remember: if it sounds too good to be true, it probably is!

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