Premier Miton INVESTORS

Miton UK MicroCap Trust plc

Report and Accounts for the year ended 30 April 2024

A Trust accessing the inherent vibrancy of the UK's quoted microcaps

The Trust's strategy intentionally focuses on UK-quoted microcaps...

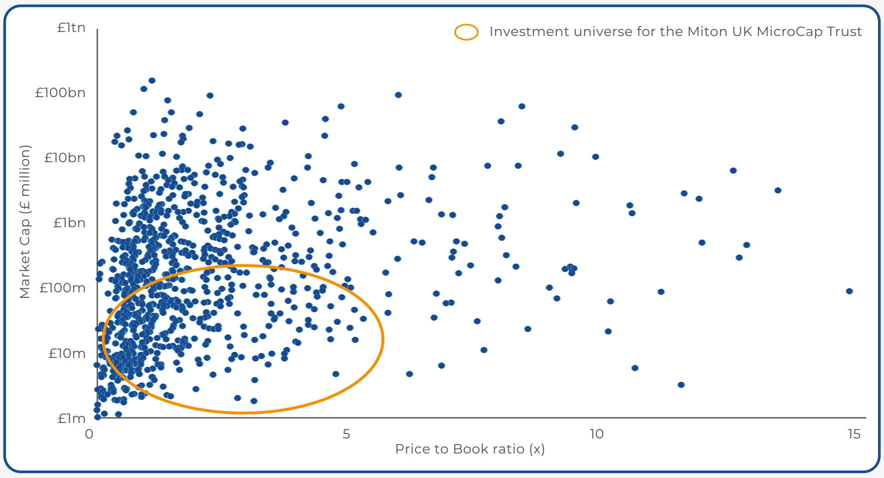
Contents

One of the better indicators of an asset's future return potential is the valuation at the time of investment. Academics highlight that, on average, assets starting at low valuations tend to deliver better returns than those starting on relatively high valuations.

The Price to Book ratio* is a popular measure of stock market valuation, with low metrics implying low expectations. In the scatter chart below, the horizontal axis denotes the Price to Book ratio of each individual UK-quoted company, with its market capitalisation shown on the vertical axis. A logarithmic scale has been used on the vertical axis so that the vast numbers of quoted microcaps can be appreciated.

The following scatter chart of the UK stock market details the range of market capitalisations versus their Price to Book ratio, as a measure of investors' expectations.

UK listed companies: valuation versus size



Source: Morningstar

UK-quoted microcaps have been overlooked for many years, and many were already standing on undemanding valuations when the Trust was first launched in April 2015. Over recent years, their valuations have moved to even lower levels. The chart above underlines the extremely low levels of UK-quoted microcaps valuations at present; this implies that UK-quoted microcaps should be set to deliver unusually strong returns in future.

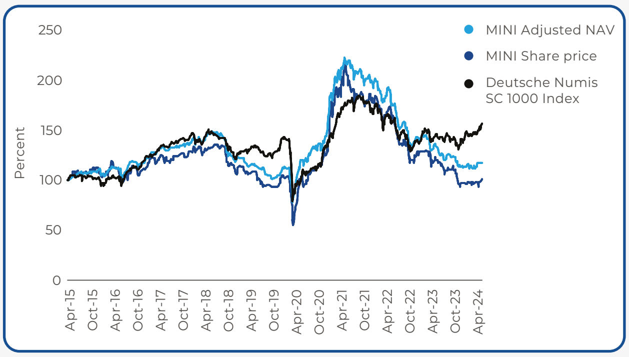
Irrespective of valuation, UK-quoted microcaps tend to outperform all other quoted companies, due to the 'small company effect'. Hence, UK-quoted microcaps are currently set to outperform for two reasons: their unusually low valuations, and the smaller company effect that is amplified within microcaps.

** Price to Book ratio defined in full in the Glossary on page 93.*

Financial Performance Indicators

Three charts that help set the full year returns in the context of the longer term returns of the Trust. Throughout this report we refer to Adjusted Net Assets ("Adjusted NAV") which is the Statutory Net Assets ("Statutory NAV") presented in the financial statements adjusted to exclude the fair value of the warrants held by the Trust. The fair value of warrants is calculated by Black Scholes. See Note 12 Fair Value Hierarchy Level 3 investments on page 72.

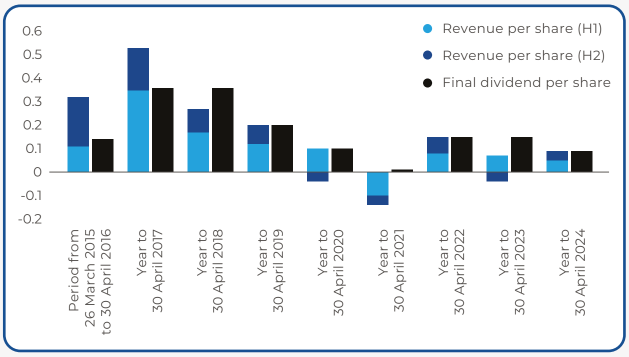
Adjusted NAV versus share price versus Deutsche Numis Smaller Companies 1000 Index



Source: Morningstar

This chart details the Adjusted NAV and the daily closing share price of the Company. Prior to the Brexit referendum, the share prices of microcaps generally appreciated and the Adjusted NAV of the Trust rose. Since then, many asset allocators have scaled back their UK weightings, given the continuing uncertainties after Brexit, and this has led to fewer buyers of small cap stocks. This trend has been more pronounced amongst microcap stocks, although the prospects for quoted microcaps are often less dependent on global growth than larger quoted companies.

Revenue and dividend per share

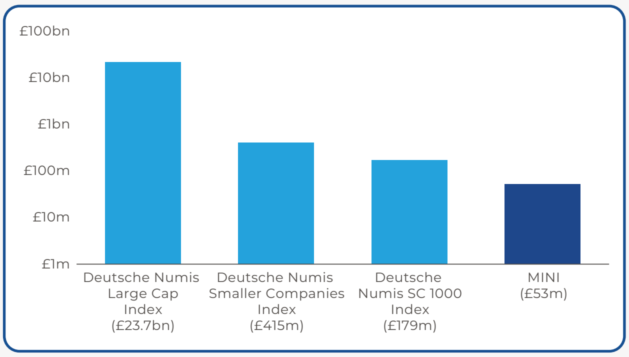


Source: Company from 30/04/2016 to 30/04/2024

The revenue per share of the Trust was relatively strong in the early years due to some higher yielding holdings. After these companies were taken over, and reflecting portfolio changes, the underlying dividend income of the portfolio has been at a lower level and often similar to the revenue costs each year.

Overall, it has always been anticipated that the major part of the Trust's longer term returns would come via capital gain rather than through dividend income.

Average unweighted market capitalisation comparison: MINI versus Deutsche Numis Large Cap Index, Deutsche Numis Smaller Companies ex ICs Index and Deutsche Numis 1000 ex ICs Index



Source: Premier Miton, Deutsche Numis, based on a logarithmic scale

The Trust pursues a clearly differentiated strategy, illustrated by the fact that the average unweighted market capitalisation of the holdings within its portfolio is £53m, which compares to an average of £23.7bn for the Deutsche Numis Large Cap Index, £415m for the Deutsche Numis Smaller Companies ex Investment Companies Index and £179m for the Deutsche Numis 1000 ex Investment Companies Index. The Trust's portfolio may therefore produce different returns from those of the mainstream stock market indices.

Results for the Year

to 30 April 2024

- Over the year, the Adjusted Net Asset Value ("Adjusted NAV") fell from 64.20p on 30 April 2023 to 55.79p on 30 April 2024, a negative total return, including dividends reinvested, of 12.9%.
- The Ordinary Share price fell from 59.50p at 30 April 2023 to 50.50p at 30 April 2024, a negative return of 14.9%. As at close of business on 10 July 2024, the closest date to this Report, the Adjusted NAV was 54.84p and the share price was 51.75p.
- The net Revenue return was a positive return of £74,000 this year, or 0.09p per share. This compares to a positive return of £32,000 last year, or 0.03p per share.
- The Company does not have a formal benchmark but, for comparison, it is intended that the returns on the Deutsche Numis Smaller Companies 1000 Index and the Morningstar Investment Trust UK Smaller Companies sector will be published in the monthly factsheet and in the Company's annual and interim reports. Its returns, however, may diverge from these comparators for a significant period.

Summary of Results

	Year to 30 April 2024	Year to 30 April 2023
Total net assets attributable to equity shareholders including fair value of warrants (£000)	43,297	60,754
Statutory NAV including fair value of warrants*	56.29p	64.20p
Adjusted NAV per Ordinary Share*	55.79p	64.20p
Share price	50.50p	59.50p
Discount to Adjusted NAV*	(9.48)%	(7.32)%
Investment income	£0.9m	£0.8m
Revenue return per Ordinary Share*	0.09p	0.03p
Total return per Ordinary Share including value of warrants	(9.17)p	(28.93)p
Ongoing charges#*	1.99%	1.72%
Ordinary Shares in issue	76,923,603	94,638,561

** Alternative Performance Measure ("APM"). Details are provided in the Glossary on page 92.*
 # The ongoing charges are calculated in accordance with AIC guidelines.

Miton UK MicroCap Trust plc

Report and Accounts for the year ended 30 April 2024

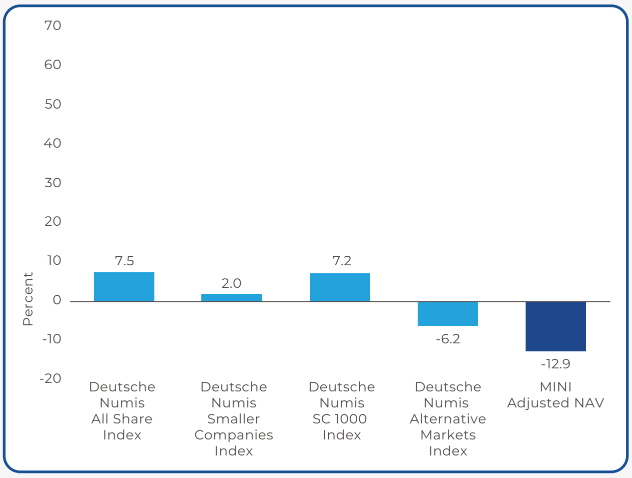
The Miton UK Microcap Trust plc is an investment trust quoted on the London Stock Exchange under the ticker code MINI. The Board, which consists of four independent Directors, appoints the Investment Manager and oversees all aspects of the Trust.

The Board oversees the Trust's strategy to ensure it has the potential to deliver an attractive investment return for shareholders over the longer term. The Trust's portfolio is distinct from others in that it principally invests in UK-quoted microcap companies, which are defined as those with market capitalisations of less than £150m.

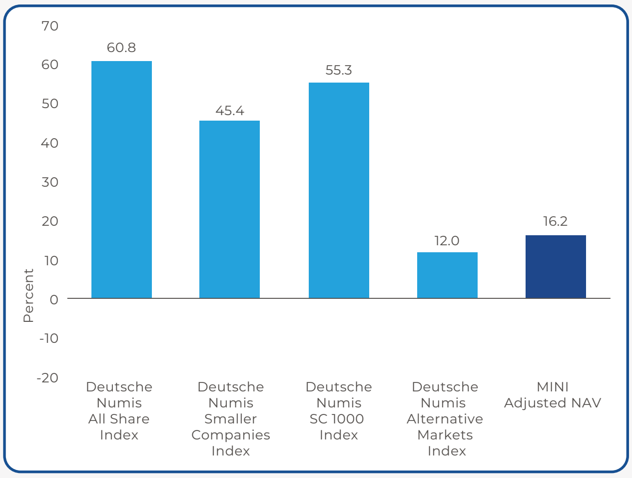
Over recent years, enthusiasm for passive indexation strategies has enhanced returns at the larger end of the market capitalisation range. This pattern has overwhelmed the usual 'smallcap effect' and, unusually, microcaps have underperformed since the Trust's launch. Whilst there have been some periods when large caps have outperformed in the past, the more consistent trend since 1955 has been the smaller the market capitalisation, the greater the return. Hence, when the stock market pattern normalises again, there is scope for the Trust to deliver very strong uncorrelated returns.

In the year to April 2024 the Trust's microcap holdings have underperformed, and its returns as detailed in the bar charts below have been outpaced by larger companies within the comparative indices. Over the year, the Trust's Adjusted NAV total return (including dividend income) fell by 12.9%, which compares with a total return on the Deutsche Numis Smaller Companies 1000 Index (the aggregate return of the smallest 2% of the UK stock market) of 7.2%. Between April 2015 when the Trust was launched, and April 2024, its NAV total return was 16.2%, which compares with a Deutsche Numis Smaller Companies 1000 Index total return of 55.3%.

Total returns 12 months to 30 April 2024



Total returns since launch in April 2015



Source: Morningstar

Our objective

The Trust invests principally in a portfolio of smaller UK quoted companies, generally with market capitalisations of less than £150m. The primary objective is to generate capital growth through selecting stocks that are expected to generate plentiful surplus cash in the short to medium-term. As this comes through and their share prices appreciate sharply, the Investment Manager tends to take profits, with the capital reinvested in other promising microcaps standing on overlooked valuations. Given that a major part of the Trust's return is expected to comprise capital appreciation, the Trust's annual dividend (if any) will be a modest contributor to long-term returns.

Recently, the UK stock market has broken out on the upside, which may signal a new stock market trend...

Since 1999, the UK stock market has largely missed out on the rise in global stock markets.
For the past 25 years, stock market trends have principally been driven by globalisation. Specifically, the surge of low-cost imports has offset local inflation, and hence recent decades were characterised by lower interest rates and higher asset valuations.

These trends favoured companies with rapid growth ambitions, especially those which were relatively large. As both are widely represented within the US stock market, it has greatly outperformed. Meanwhile the UK stock market, characterised by slower-moving, capital-intensive businesses, along with numerous mid and smallcaps, has not performed so well.

Now that the UK stock market has broken out on the upside, this may presage a new period of higher returns.
Over recent years, the political climate has driven a fragmentation of international relationships, which has been a hindrance to global franchises.

More recently still, asset valuations have come under pressure, with the cost of capital and debt now being more costly. In these conditions, capital intensive businesses with tangible assets will tend to be subject to less competition. These trends favour many UK mainstream stock market-quoted businesses, and it is noteworthy that, since 2000, the market itself has recently broken out of its trading range, on the upside.

Given that the UK stock market is at a low point in valuation terms, this new trend of UK outperformance could be dramatic and perhaps persist for many years.

UK quoted microcaps tend to outperform and, given their recent period of weakness we believe they are overdue a major performance catch-up.

Academic studies of past stock market data have found a consistent pattern where, on average, the smaller a quoted company, the better its long-term returns. Generally, quoted microcaps typically deliver the best long-term returns.

There are intervening periods when mainstream stocks have a phase of performance catch-up or are subject to a series of high-profile takeovers. But, as these pass, the pattern typically reverts to the norm. Thus, given the ubiquitous nature of the smallcap effect, after their recent underperformance, microcaps appear overdue a major period of performance catch-up.

Whilst microcaps generally outperform, there are always a few that deliver exceptional returns several years in a row.

Whilst most quoted companies generate yearly returns that are crowded around the median, there are always a few that conspicuously disappoint, together with some standout winners that rise by a multiple of their share price over a couple of years. Whilst there are some isolated large cap examples that appreciate by a multiple of their share price over a year, these are rare. By contrast, there is normally a short list of microcaps that achieve this level of return each year.

As the share prices of successful microcap businesses appreciate by multiples, the companies themselves come to the attention of a wider range of institutional investors. Hence these exceptional returns can sometimes persist for several years, as an increasingly wider range of investors include them in portfolios. Overall, if the UK stock market has broken out on the upside, then in time it should be matched by a similar break out of UK-quoted microcaps.

> ...then, in time, it should be matched by a smiliar break out of UK-quoted microcaps.

Furthermore, when addressing environmental, social and governance issues...

Any organisation that knowingly operates contrary to the interests of the wider public will, in time, find that its social licence to operate suffers. Hence, well managed investment portfolios need to invest in companies with an authentic sense of purpose, as well as those employing a successful commercial strategy.

Mainstream stocks have vast numbers of shareholders, so typically their executive directors only meet a small proportion of them. Alongside their long list of shareholders, they are offered an extraordinarily wide range of advice regarding their stance on corporate strategy and environmental, social and governance issues. The bottom line is that institutional investors have little opportunity to gauge the authenticity of the management team's sense of purpose or to influence their corporate agenda significantly.

In contrast, there are far fewer institutional microcap investors, so most microcap management teams are keen to meet them, even when they are not shareholders. Microcap investors, therefore, have a much greater opportunity to gauge a company's culture, even prior to investing. In addition, institutional holders typically account for a substantial proportion of their equity, so when these holders express opinions they often have a meaningful influence on how the management teams address issues, including those related to environmental, social and governance policy.

AIM-listed companies do issue formal reports covering non-financial metrics such as climate data or gender diversity, although these are typically less comprehensive than the majors. Your Manager does not find this a major handicap as many microcaps operate across a relatively specialist business area. In addition, your Manager can compare the content of the sustainability reports with the detail of the senior management's actions gathered through one-to-one meetings. When variance is identified, it can imply a lack of authenticity. As one example, your Manager meets many mining management teams who say they start every meeting with safety. And yet, in far too many cases, their safety data is not covered by the first slide in their corporate presentation, nor is safety the first matter of substance in their annual report.

Generally, microcap leadership teams are smaller, and often more agile than the majors. Typically, this is reflected in a stronger sense of corporate purpose and greater sense of motivation than in some larger companies. For these reasons, when addressing environmental, social and governance issues, the Manager of a portfolio of microcaps can stand at an advantage when compared to those investing in the majors.

...a UK microcap portfolio has numerous advantages.

Chairman's Statement

" ...it is hard to overstate the scale of the current upside potential for the Miton UK Microcap Trust in absolute terms..."

Ashe Windham
Chairman

The report covers the full year to 30 April 2024, a period which was, in football parlance, a game of two halves. In the first half to end of October 2023, the Trust's Adjusted Net Asset Value ("Adjusted NAV") fell by 15.5%, from 64.20p to 54.10p. The second half saw a tentative recovery with the Adjusted NAV rising by 3.1% to 55.79p. This somewhat anaemic return was greatly outpaced by other indices, as local selling was offset hardly at all by few corporate buybacks within microcaps, and which led to UK-quoted microcap valuations declining even further. Over the period as a whole, therefore, the Trust's Adjusted NAV fell 12.9%, compared to a rise in the Deutsche Numis Smaller Companies 1000 Index of 7.2%. The vast majority of UK microcaps were already standing on unusually low valuations even prior to their share price weakness over this past year. The low average Price to Book of holdings in the portfolio highlights the value to be found in owning shares in the Trust.

Earnings and Dividends

Earnings for the year, after costs, were 0.09p per share (2023: 0.03p) on the revenue account. Earnings on the capital account consisted of a loss of 9.26p per share (2023: loss of 28.96p). Earnings on the revenue account remain depressed as microcap companies seek to retain cash rather than paying it out in dividends to shareholders. As far as setting the dividend is concerned, the Directors have always given the Manager maximum flexibility to follow which ever course is believed to lead to the best results for our shareholders. As Directors, we regard the dividend as a useful by-product of the investment process but not a target in itself. This year, your Board is recommending a final dividend of 0.09p per ordinary share, reflecting the revenue for the year. Subject to approval by shareholders at the AGM, this will be paid on 25 October 2024 to shareholders on the register on 27 September 2024.

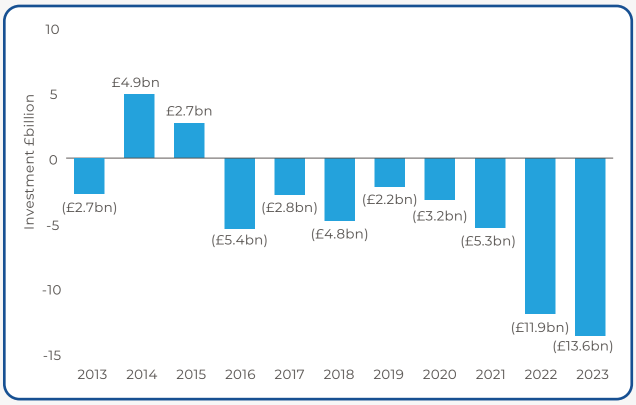
Performance

With the dearth of buying interest in UK microcaps over the last three years, marginal sellers have dominated the direction of share prices. Every excuse in the book has been rolled out for why institutions and individuals should not buy UK equities – a close Scottish referendum, Brexit, four Prime Ministers in five years, the UK's lack of exposure to technology stocks, an egregious 0.5% stamp duty on the purchase of equities not paid by investors in other first world stock markets, the sudden imposition of an additional tax on North Sea oil producers, a major land war in Europe and the ongoing conflict in the Middle East. To add insult to injury, the investment trust sector has been discriminated against by the iniquitous double counting of fees such that wealth managers find real difficulties explaining why they should be buying closed end vehicles for their clients, given the apparently high level of fees.

Given the continuing mergers of wealth managers, the barriers to liquidity are now so high that in order to attract the selector's eye, investment trusts need to have market capitalisations of £1bn+. There are precious few of those around. The Association of Investment Companies (AIC) is trying to get the Financial Conduct Authority (FCA) to reverse the cost disclosure position but the latter does not appear to grasp the urgency, whilst the government seems unable to appreciate the seriousness resulting from the UK falling from its position as the premier global centre for finance. Many large companies are voting with their feet, seeking listings in the US, where valuations are far higher and the climate more benign – even the mighty Shell is contemplating such a move.

At the end of April, for example, it was reported that Coutts & Co. was cutting its UK equity allocation by almost £2bn from 33% to 2%, even below the UK's now feeble 3% weighting in global equity indices. The consequence is that UK equities are almost wholly unloved and, as at the end of April 2024, were trading on 12x forward price earnings ratio vs the world on 17x and the US on 21x, (source: Bloomberg). The Price to Book ratios are even more extreme with the UK on 1.6x, the world on 2.7x and the US on a lofty 4.4x, whilst the UK also offers a meaningfully higher dividend yield at 3.8% than both the US (1.4%) and world markets (2.1%). I thought that the nadir of selling of UK equities was reached a year ago but I was sadly mistaken; as the chart below shows the rate of selling has in fact accelerated. Capitalism abhors a vacuum and the recent high and rising level of corporate take overs of listed companies demonstrates the value to be found in the UK. Canny contrarians are buying UK equities at what appear to be knock down prices.

Net retail sales of UK Equity Funds



Source: The Investment Association

Prospects

The last three years have been incredibly frustrating for the management teams of numerous UK quoted companies and for our shareholders. UK microcap share prices have steadily declined, even whilst the underlying companies have often continued to deliver results in line with expectations.

Whilst this is disappointing, the Trust was set up because quoted microcaps possess extraordinary upside potential. When microcaps succeed, sometimes their share prices can appreciate very dramatically. We liken this to an option-value upside, where the term of the option is open-ended, and its cost comes almost for free, embedded within the quoted microcap share price.

Currently the media is marvelling because Nvidia has delivered an annualised return of 86% in sterling terms over the last four years. And yet, the Trust's holding in Yü Group (a microcap exemplar), has appreciated at an annualised rate over the same period of 130%. In short, Yü Group's share price has risen some 27-fold, compared with Nvidia which has risen 11-fold.

Chairman's Statement continued

Furthermore, after Nvidia's rise, it has moved up to a high-expectation valuation (Price to Book of 51.8x), whereas Yü Group is still on a modest valuation – even now its Price to Book is only 6.2x. Thus, Yü Group still retains bags more upside potential, even in the short-term.

Microcap share prices generally have been severely repressed over the last three years, so these abnormally large upsides have been more infrequent. To catch the discerning investor's eye, small stocks have to be exceptional. Yü Group is a good example and is currently one of the multi-baggers in the Company's portfolio.

Hopefully, by the time that you read this, the green shoots in UK equities which started emerging in mid-April, will have blossomed into something more substantial. The UK is now officially out of recession and 'animal spirits' are evident. After largely flatlining since 2000, the UK stock market has recently broken out on the upside. Rather similar to the Japanese stock market, we believe this is the start of a new longer-term trend. In our view, the mainstream UK stocks are now set to enter a period when they will outperform their international comparators.

But the greatest upside potential has always lain within UK-quoted microcaps – and they now are starting from shockingly low valuations. Those that succeed from here have the potential to perform so much better than large caps. The old stock exchange adage that 'Elephants don't gallop' is normally the rule. If the UK stock market itself may be starting a long-term trend of outperformance, and if UK microcaps outperform the UK majors as they have done historically, then they are set to outperform international comparatives.

In conclusion, it is hard to overstate the scale of the current upside potential for the Miton UK Microcap Trust in absolute terms, as well in the context of other equities internationally.

Share Issuance

As the shares did not trade at a premium to the prevailing Adjusted NAV during the year under report, there were no opportunities to issue shares. We will be seeking approval at the AGM in September 2024 to renew this useful facility. Issuing shares at a premium to Adjusted NAV is to the benefit of all shareholders as it dilutes the fixed charges which the Company bears and thus lowers the Ongoing Charges Figure ("OCF").

Share Redemption

Each year your Directors offer the facility for shareholders to redeem their holdings in part or whole, at or close to the prevailing Adjusted Net Asset Value. The Directors are offering this facility again this year and the timetable is laid out on page 80 of this report. Should the redemption be substantial, then the Directors may take the decision to form a separate redemption pool, as we did last year, and it may take a number of weeks, if not months, to liquidate the pool carefully without disadvantaging the remaining shareholders, or indeed the exiting ones. Thanks to microcaps having been out of favour for almost three years, the Trust has suffered heavy redemptions over each of the last two years, being 13.4% in 2022 and 18.7% in 2023. We have in place an agreement with the Trust's managers, Premier Miton, that they will rebate their ongoing management fee to the extent required for the Trust to maintain an ongoing charges ratio of no more than 2%. The Trust thus has the facility to remain viable at a lower level of market capitalisation than most investors would believe possible. It is also worth noting that Premier Miton's fee is based on the Trust's market capitalisation and not its Adjusted NAV, which, when it is trading at a significant discount, is of material benefit to shareholders.

Board Refreshment

Your Directors have a policy that a non-executive Director should serve for no more than nine years, from the date of first election. A well-structured waterfall of directors' retirements is always difficult when coming after a company has been launched, as directors should retire nine years after the first election by shareholders. Davina Walter took over from Peter Dicks as Senior Independent Director on 1 May 2024. Louise Bonham will take over from Peter on 1 September 2024 as Chair of the Audit Committee, whilst Peter will be on hand to help with the redemption process and with the interim results until he retires from the Company at the end of December 2024.

Environmental, Social and Governance (ESG) issues

Your Manager follows Premier Miton's responsible investing policy, which is to consider Environmental, Social and Governance issues and actively to engage in the investment process with investee companies, in order to deliver improved outcomes for all stakeholders and to take an active approach to voting on company resolutions at annual general meetings of investee companies. Premier Miton has been a signatory of the UN Principles for Responsible Investment since January 2020, an organisation which encourages and supports its signatories to incorporate ESG factors into investment and ownership decisions. Premier Miton also adopts a banned weapons exclusion and utilises third party data to maintain a list of such companies.

Change of Service Providers

As reported in the interim report, following due process, evidenced by extensive due diligence and interviews, on 4 March 2024, the Trust appointed subsidiaries of Northern Trust as company secretary and registered office, fund administrator and depositary, resulting in considerable savings for shareholders.

Annual General Meeting

The Annual General Meeting of the Trust will be held at 11.30am on Tuesday 24 September 2024 at the offices of Stephenson Harwood, 1 Finsbury Circus, London EC2M 7SH. Your Directors look forward to this opportunity to meet shareholders and especially retail investors, as there are few other opportunities to engage with the latter. Aside from the formal business of the AGM, Gervais Williams and Martin Turner will give a presentation on the Trust's prospects and at the end of proceedings we will be offering a sandwich lunch. We hope that as many shareholders as possible will be able to attend and would encourage those wishing to do so to register their interest via a link that will be available on the Trust's website, www.mitonukmicrocaptrust.com, in the preceding six weeks. There you will also find additional details regarding the Trust including factsheets and a range of regularly updated videos, podcasts and articles.

In conclusion, as I wrote in my last report, the Directors are grateful for your tolerance in holding the Trust's shares over what has been a fairly dismal period and we are hopeful that your patience will be amply rewarded in the not-too-distant future. Two of your Directors added materially to their holdings over the year, demonstrating their confidence in the long term prospects for the Company.

Ashe Windham
Chairman
11 July 2024

Investment Manager's Report

Which fund managers have day-to-day responsibility for the Trust's portfolio?

Since the launch of the Trust in April 2015, the day-to-day management of the Trust's portfolio has consistently been carried out by Gervais Williams and Martin Turner.

Gervais Williams

Gervais joined Miton in March 2011 and is Head of Equities at Premier Miton. He has been an equity fund manager since 1985, including 17 years at Gartmore. He was named Fund Manager of the Year by What Investment? in 2014. Gervais is President of the Quoted Companies Alliance and a member of the AIM Advisory Council.

Martin Turner

Martin joined Miton in May 2011. He and Gervais have had a close working relationship since 2004, with complementary expertise that led them to back a series of successful companies. Martin qualified as a Chartered Accountant with Arthur Anderson and had senior roles and extensive experience at Merrill Lynch and Collins Stewart.

What were the principal stock contributors and detractors in the portfolio over the year to April 2024?

Over the last three years, including throughout the year to April 2024, institutional investors have sought to reduce their holdings of UK equities, so that capital could be invested elsewhere. Hence, there have been persistent sellers of microcap shares that have often outnumbered the buyers, such that most microcap share prices have fallen, even when their prospects remained unchanged.

However, occasionally, the prospects of a quoted microcap improve so significantly that even though its share price might appreciate by many multiples, its valuation still remains relatively modest. With the overhang of quoted microcaps sellers, this outcome has been somewhat more frequent than usual this year. The best example in this period was Yü Group, which appreciated three-fold over the year to April 2024 and yet still stands on an overlooked valuation. Whilst the Trust's holding in Yü Group was trimmed to keep its percentage of the portfolio below 10%, it still appears to have an unusually attractive risk/reward ratio at its current share price. Serabi Gold, a gold mining company in Brazil, was somewhat similar, having appreciated by 130% over the year.

Given the generally unfavourable background, the share prices of portfolio holdings that chose to raise additional capital were often particularly weak. A good example is CyanConnode, a market leader in Indian smart meters. The Trust held this in its portfolio because the Indian government is tendering to install 250 million meters over the coming years. In November 2023, the company raised £2.5m to increase its component inventory, anticipating that this would help it to win a larger proportion of its tenders. Even though CyanConnode has continued to meet market expectations, with the additional share issuance, its share price fell 53% over the year to April 2024. Whilst corporate prospects may have been enhanced by raising additional capital, the holding was the worst detractor in terms of the Trust's Adjusted NAV return this year.

Alongside, there are always a number of portfolio holdings where prospects deteriorate, and which are therefore sold from the portfolio, typically crystalising losses. This year the most significant of these were Cap-XX, Ethernity Networks, FireAngel, Graft Polymer, MusicMagpie, Saietta and Velocys. In addition, the management team of Accrol Group recommended a takeover offer, even though it was only at a modest premium to its share price. They feared global competition setting up in the UK would degrade their profitability.

In a normal year, when buyers and sellers of microcap holdings are in balance, there will always be a number of microcap share prices that appreciate significantly. With microcap transactions being out of balance, however, these were comparatively scarce in the year under review. In addition, even microcaps that excelled did not necessarily appreciate in valuation as much as might be expected. Even so, where valuations of individual holdings moved well above others, these were sold, giving the potential to reinvest capital in other stocks standing on extremely overlooked valuations. For this reason, positions in Corero Network Securities, DX Group, Journeo, Oxford BioDyanmics, React Group and Sureserve were sold during the year.

In summary, with the persistent sellers of microcap shares over the year to April 2024, their share prices have been unusually weak even when their prospects remained unchanged. This is the principal reason why the Adjusted NAV of the Trust fell 12.9% over the year.

What are the main factors that have driven the Trust's returns since it first listed in April 2015?

As highlighted in previous annual reports, the best performing part of the UK stock market since 1955 (the start of the relevant data series) has been the microcap sector.

When the investment universe is narrowed further, solely to include microcaps standing on undemanding valuations (typically determined by low Price to Book ratios), the scale of their outperformance is even more marked. With this background in mind, the Trust's portfolio principally invests in UK-quoted microcaps standing on what we consider to be overlooked valuations at the time of purchase. When these microcaps succeed, their share prices can appreciate by many multiples of the purchase price.

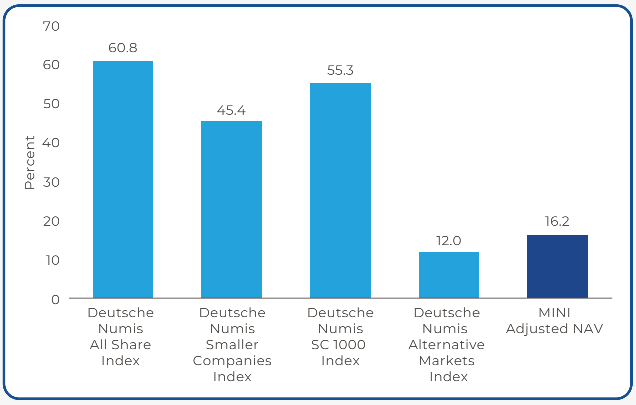
The globalisation trend was already declining when the Trust was set up in April 2015, and we anticipated that it would gradually fade. Whilst economic trends have indeed evolved as expected, governments and central banks have been fearful of unwinding the debt burden, so have adopted unconventional policies to keep the prior stock market status quo in place. This has led to perverse outcomes. Whereas the smaller company effect is near-ubiquitous, recent policy gymnastics have boosted megacap outperformance dramatically. Although this pattern is likely to prove unsustainable over time, it has had the unwelcome side effect of making market conditions for quoted microcaps increasingly hostile since the Trust's listing in April 2015.

Over recent years, the cost of raising additional microcap capital has typically become far more onerous, as investors have become increasingly cautious about committing additional capital to assets that continue to underperform. Thus, quoted microcaps seeking to raise additional capital have either contemplated issuing new shares at a discount to their subnormal valuations or chosen to live without additional capital. While issuing additional capital typically enhances prospects, many microcaps have preferred to grow at a slower pace over recent years rather than issue heavily dilutive new capital. Microcaps that have run out of cash meanwhile have often been obliged to raise new capital irrespective of its dilutive effect. In these cases, the prospective returns for existing shareholders will have been downgraded, other than for those that invested additional capital and therefore maintained their percentage ownership.

For these reasons, over the nine years since issue, the share prices of many UK-quoted microcaps in the Trust's portfolio have suffered a valuation headwind, even amongst those that were successful. Those that disappointed have typically delivered poorer returns than normal.

In spite of these severe microcap headwinds, the Adjusted NAV of the Trust has nevertheless modestly risen since inception in April 2015, and outperformed the return of the Deutsche Numis Alternative Markets Index. Whilst the portfolio does include a list of holdings that have delivered poor returns, there are many others that have generated excellent returns despite the adverse microcap conditions. Further up the market capitalisation scale, conditions have typically been less hostile, which explains why the returns of the comparative indices are generally better than that of the Trust's Adjusted NAV total return. In addition, the returns of larger market capitalisations stocks by definition have larger index weightings, and hence skew the overall return of the comparative indices further upwards when they outperform.

Total returns of the Trust and various comparative indices since launch in April 2015



Source: Morningstar

In the light of the substantial decline in the Trust's Adjusted NAV over the last three years, have its longer-term prospects deteriorated?

The period of globalisation can be characterised as favouring 'bigness', which may explain why the US stock market has greatly outpaced others over recent decades. During globalisation, the valuations of other exchanges such as the UK have trailed behind the US comparatives. This position is even more extreme within UK-quoted microcaps, where over the last three years valuations have fallen to what we consider to be absurdly low levels.

Over the last decade or so however, the electorate has come to distrust the compromises that come with globalisation. This was evident as long ago as 2016 with the Brexit and Trump votes. Thereafter, the logistics nightmares of the pandemic have made the compromises that come with globalisation all the more prominent, and electoral pressure for change has become more persistent.

Beyond globalisation, policies such as reshoring manufacturing, which tend to boost inflation, are expected to lead to a much more challenging economic outlook. Interestingly, we believe changes like this favour companies funded with risk capital, such as those listed on stock markets, over those principally funded by debt, like private equities.

Quoted companies generating cash surpluses (such as those that dominate the UK mainstream stock market) now have the potential to outperform greatly. In this context, we are not surprised that this is the moment when the mainstream UK stock market has broken out of its trading range on the upside. This is all the more significant given that it has done so at a time when numerous local investors have been aggressively reducing their UK equity weightings. Breakouts such as that of the UK tend to bring in new participants from overseas, boosting the outperformance trend further. As local selling moderates and in time ceases, we anticipate the new UK outperformance trend will accelerate further and become persistent.

Furthermore, we also anticipate that market trends will start to favour small cap stocks over large ones, in which the UK exchange is better represented than most other markets. Hence, far from being worried about the Trust's prospects deteriorating after its recent underperformance, we believe its upside potential is now even greater than before, and more immediate. In part, this is due to UK-quoted microcaps standing on absurdly low valuations, but also because we anticipate that the current political and geopolitical trends will favour UK-quoted equities, and most particularly UK-quoted microcaps in future.

Will institutional investors ever return to the UK quoted microcap investment universe?

Inflationary pressures were benign during the period of globalisation, and asset valuations in general rose considerably. In addition, the opening up of international trade also enhanced world growth, so most businesses expanded. Overall, the returns of many assets have been unusually strong during globalisation.

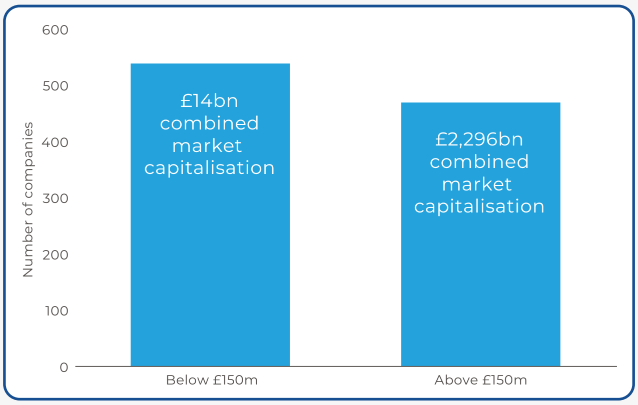
As the favourable pattern persisted over decades, stock market returns were routinely well above inflation, and additional returns from smallcap portfolios became apparently optional for institutions. Indeed, institutions progressively favoured concentrating capital in large and megacap equities because they came with abundant market liquidity. Hence, although quoted smallcaps may have outperformed the majors during globalisation, the commercial returns from all sorts of mainstream assets were so copious that most institutional investors steadily reduced their smallcap participation. The adverse pattern has been most pronounced within the UK-quoted microcap investment universe, where the vast majority of capital is now provided by private investors. Amongst institutional investors, even those with dedicated UK smallcap strategies now routinely disregard quoted companies below a minimum market capitalisation, say, of £150m.

Recent elections have led to a Balkanisation of international relationships, and globalisation is now in retreat. There are fewer opportunities to sell goods across all international geographies, which constrains opportunity for many global businesses. Furthermore, the reshoring of manufactured goods, and greater immigration controls add to inflationary pressures, and hence are also expected to reduce asset valuations. The return on mainstream stock markets by implication may be much poorer in the future. Given that many quoted megacaps are currently standing on incredibly high valuations, many stock markets around the world may fail to deliver a commercial return for many years.

Even if UK-quoted microcaps were to start outperforming very substantially over the coming quarters, we doubt that institutions would immediately crowd into them. However, if the mainstream indices were to fail to deliver a commercial return for a long period, in time we do expect institutional capital to be reallocated into areas that are outperforming.

The smallcap investment universe is typically defined as comprising the bottom ten percent of market capitalisations of the overall stock market, so an allocation from the large cap ninety percent, into the smallcap ten percent tends to amplify its performance. Furthermore, as microcaps are typically defined as being the bottom two percent,

Number of quoted companies in the UK below and above £150m market capitalisation



Source: Premier Miton

an allocation from the large and smallcap ninety-eight percent into the microcap two percent can be expected to have an even greater amplification impact on performance. Alongside, as UK mainstream companies have fallen to undemanding valuations during globalisation, and UK-quoted microcaps have fallen to absurdly low valuations, the new outperformance trends have the potential to persist in scale for years.

For all these reasons, we expect UK-quoted microcaps to outperform greatly global large and megacaps, in a new trend that is boosted further by institutional capital being allocated increasingly further down the market capitalisation range. Even a tiny incremental allocation of institutional capital would have a major impact on UK-quoted microcap returns. And as the cost of microcap capital becomes less onerous, we foresee they will enhance their returns yet further through share issuance. Over time, the more that quoted microcaps outperform, the greater will be the willingness of institutional capital to participate. We anticipate something of a virtuous spiral from here, with additional institutional capital allocations being matched by an accelerating pattern of UK-quoted microcap outperformance in a new trend that could last for decades!

Investment Manager's Report continued

What are the prospects for the Trust?

In the sections above, we outline why we believe the current political and geopolitical trends are now set to favour quoted equities and specifically UK-quoted equities from here. In addition, we also outline why we believe market trends will now start to favour smallness over bigness. When these factors are set in the context of UK-quoted microcaps that are currently standing on unusually low valuations, the reasoning for being upbeat about the Trust's prospects should be obvious.

Even after setting out these arguments however, we believe that the full upside potential of the Trust's strategy is still not fully captured. The issue is that investors' expectations are currently framed in the context of a stock market that has become increasingly hostile towards UK-quoted microcaps. Investors may gauge the ultimate upside potential of the Trust with reference to the return from a holding such as Yü Group, whose share price has appreciated 21-fold between first purchase in May/June 2020 and the end of April 2024. This is twice as fast as that of Nvidia for example (by far the best performing US-listed member of the Magnificent Seven over that period) and hence may be assumed to represent a UK-quoted microcap at its best.

And yet, when UK-quoted microcap market conditions are less hostile, microcaps like Yü Group may have even greater upside potential. To repeat, many UK-quoted microcaps currently stand on very overlooked valuations. So, even after Yü Group's astronomical returns, for example, its Price to Book ratio is still only 6.2x, whereas that of Nvidia is over 50x (even though it has delivered lesser, though still stellar, returns). In short, without wishing to debate the relative investment merits of Yü Group versus Nvidia, we believe that if Yü Group's share price were to rise to a valuation that fairly reflects its prospects, it would offer plenty of upside potential from here. As it is, following its recent deal with Shell, Yü Group no longer needs to commit tens of millions of pounds in cash collateral when it hedges the energy price for its customers. With Yü Group's collateral constraints now lifted, it can now take the brakes off its full growth potential and hence a potential valuation that fairly reflects its prospects may now be even greater than it was a few months ago.

The bottom line is that when UK-quoted market conditions become less hostile, we anticipate that the Trust's returns have considerable potential. There was a glimpse of its scale when, over only a fourteen-month period, the Trust's Adjusted NAV rose from 37.28p on 19 March 2020 to 107.5p on 10 May 2021.

Now that the mainstream UK stock market has broken out of its historic trading range on the upside, we believe that local market conditions are improving. Stock market breakouts tend to bring in new participants from overseas, boosting the outperformance trend further and help it become embedded. When institutional capital starts to be allocated further down the market capitalisation range, market conditions within UK-quoted microcaps will normalise again and investors should start to recognise the full potential of the Trust's strategy. The key point is that even tiny increments of institutional capital have the potential to make a giant difference to UK-quoted microcaps market conditions, and hence the scale of their return potential.

In summary, the Trust's strategy seeks to pick out stocks that have the potential to appreciate by many multiples of the original share price, and in our view the prospects for the Trust's UK-quoted microcap strategy are now the best they have been for over thirty years. Enough said.

Gervais Williams and Martin Turner
11 July 2024

Business Model

Business and status the Company

MINI was incorporated on 26 March 2015 and its Ordinary Shares were listed at 50p on the London Stock Exchange on 30 April 2015. It is registered in England as a public limited company and is an investment company in accordance with the provisions of Sections 832 and 833 of the Companies Act 2006.

The principal activity of the Company is to carry on business as an investment trust. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of Sections 1158/1159 of the Corporation Tax Act 2010 ("S1158/1159"). The Directors do not envisage any change in this activity for the foreseeable future.

The Company has been granted approval from HM Revenue & Customs ("HMRC") as an investment trust under S1158/1159 and will continue to be treated as an investment trust company, subject to there being no serious breaches of the conditions for approval.

The principal conditions that must be met for continuing approval by HMRC as an investment trust are that the Company's business should consist of "investing in shares, land or other assets with the aim of spreading investment risk and giving members of the company the benefit of the results" and the Company may only retain 15% of its investment income. The Company must also not be a close company. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 April 2024 so as to be able to continue to qualify as an investment trust.

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments and all other net capital gains. Investment trusts offer a number of advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at lower cost, and the ability to hold illiquid positions in uncertain market conditions.

Investment Policy

The Company's full investment policy is set out on page 81 and contains information on the policies which the Company follows relating to asset allocation, risk diversification and gearing, and includes maximum exposures, where relevant.

The Company invests in a portfolio of UK quoted companies with the objective of achieving capital growth by investing in a portfolio of stocks that are well placed to generate an attractive cash payback from productivity improvements.

A Summary of the Total Costs Involved in Managing the Trust

Investment trusts differ from some other forms of collective funds in that they are set up as independent corporations with their operations overseen by a board which is separate from and independent of the fund management group that manages the capital.

In addition, they are listed, with their shares traded on regulated exchanges – which, in our case, is the London Stock Exchange.

The Company is a closed-ended company with no day-to-day redemptions impacting the size of the fund (excluding the annual redemption). Shareholders are able to invest or exit the Company through their broker/platform provider.

Running costs are deducted from the total assets of the Company on a pro-forma basis so the Adjusted NAV published each day is expressed after costs. The figures below are the costs paid by the Company over the year under review and are expressed as a percentage of the average asset value of the Company over the year to 30 April 2024 of £49,077,000 (2023: £69,083,000).

	2024 %	2023 %
Fund management fees[1]	0.80	0.86
Administration costs, including Company Secretarial fees[2]	0.46	0.30
Directors/Auditor/Depositary/ Registrar/Custodian and Stockbroker fees	0.53	0.38
All other direct costs, including VAT on the fees above, plus marketing, legal	0.20	0.18
Ongoing charges	1.99	1.72

The Investment Manager has agreed that, for so long as it remains the Company's investment manager, it will rebate such part of any management fee payable to it so as to help the Company maintain an ongoing charges ratio of 2% or lower. In addition, the Company also pays transaction charges[3] that are levied when shares are bought or sold in the portfolio. These are dealing commissions paid to stockbrokers and stamp duty, a Government tax paid on transactions (which is zero when dealing on the AIM/Aquis exchanges).

	2024 %	2023 %
Costs paid in dealing commissions	0.08	0.05
Stamp duty, a Government tax on transactions	—	0.01
Overall costs including transaction charges	2.07	1.78

The overall costs of the Company for the period were 2.07% This compares with the Company's average NAV total return since issue of 16.2% (after deduction of costs).

1 *The basic management fee payable to the AIFM is calculated at the rate of one-twelfth of 0.9% (1% prior to 1 September 2020) of the average market capitalisation of the Company up to £100m, 0.8% per annum on the average market capitalisation above £100m, on the last business day of each calendar month. The basic management fee accrues daily and is payable in arrears in respect of each calendar month. For the purpose of calculating the basic fee, the'adjusted market capitalisation' of the Company is defined as the average daily mid-market price for an Ordinary Share and C share (when in issue), multiplied by the number of relevant shares in issue, excluding those held by the Company in treasury, on the last business day of the relevant month. In addition to the basic management fee, and when the Redemption Pool is in existence, the AIFM is entitled to receive from the Company a fee calculated at the rate of 0.9% (1% prior to 1 September 2020) of the NAV of the Redemption Pool on the last business day of the relevant calendar month.*

2 *The change in service providers, which took effect from 4 March 2024, will mean future expenses will fall in absolute terms.*

3 *Transactions conducted by the Company also involve some loss of value due to the dealing spread in stock exchange prices. Spreads range from less than 1% in the most actively traded large cap stocks to more than 10% in the smallest, most infrequently traded stocks. The exact loss of value is difficult to determine precisely, but is normally less than half of the dealing spread at the time of the transaction. In a large percentage of the transactions, especially in the smallest stocks, the stock is passed through from sizeable seller to sizeable buyer on a 'put through' basis with potentially no loss of value through the spread. During the year under review, this cost is believed to be very modest in comparison to the Adjusted NAV.*

Portfolio Information

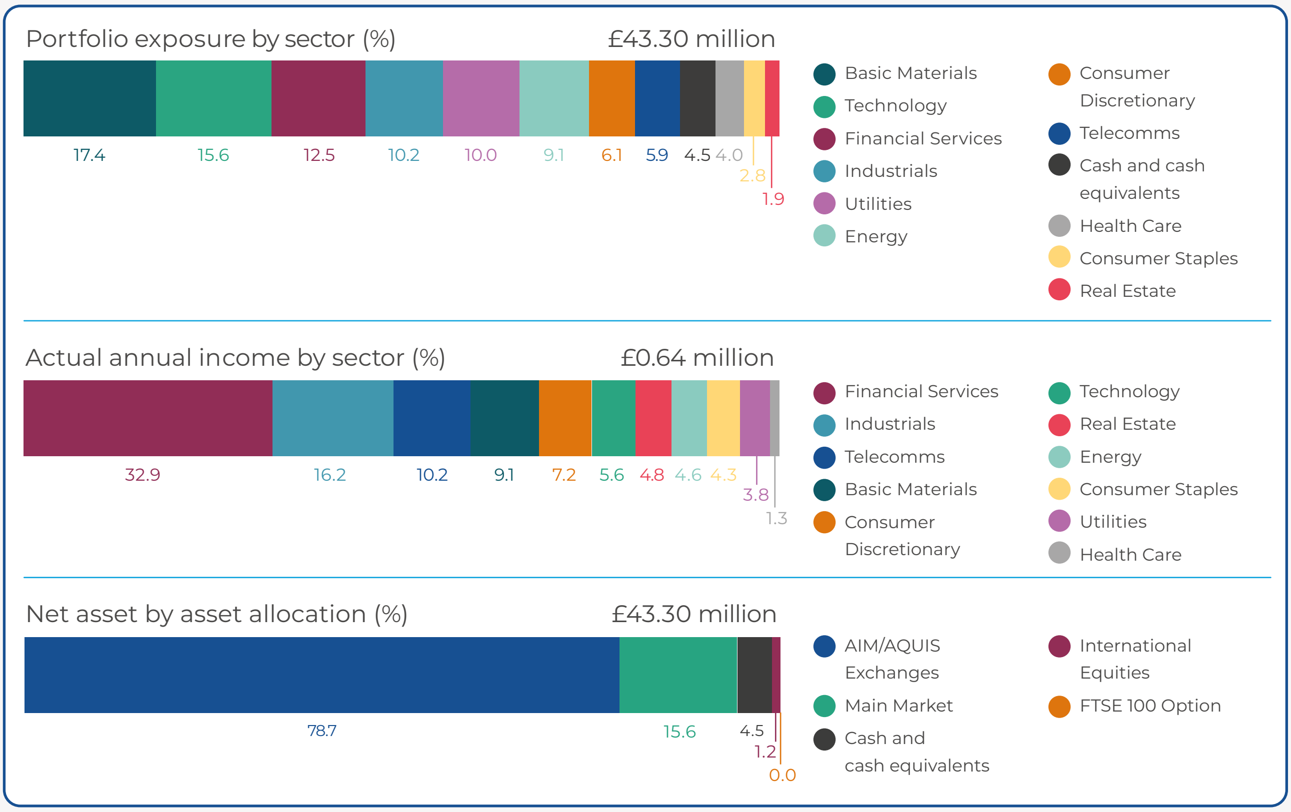
as at 30 April 2024

Rank	Company	Sector & main activity	Valuation £000	% of net assets
1	Yü Group	Utilities	3,967	9.2
2	MTI Wireless Edge	Telecommunications	1,267	2.9
3	TruFin	Financials	1,238	2.9
4	Serabi Gold	Basic Materials	1,023	2.3
5	CyanConnode Holdings *(including warrants)*	Telecommunications	889	2.0
6	Zephyr Energy *(including warrants)*	Energy	859	2.0
7	Supreme	Consumer Staples	834	1.9
8	Braemar	Industrials	774	1.8
9	Concurrent Technologies	Technology	743	1.7
10	UP Global Sourcing Holdings	Consumer Discretionary	732	1.7
Top 10 investments			12,326	28.4
11	Frontier IP Group	Industrials	705	1.6
12	Ingenta	Technology	694	1.6
13	Zoo Digital Group	Technology	691	1.6
14	STM Group	Financials	659	1.5
15	Zinc Media Group	Consumer Discretionary	645	1.5
16	Beeks Financial Cloud	Technology	645	1.5
17	Amaroq Minerals	Basic Materials	645	1.5
18	Andrada Mining	Basic Materials	620	1.4
19	Marwyn Value Investors	Financials	600	1.4
20	Capital	Basic Materials	596	1.4
Top 20 investments			18,826	43.4
21	Savannah Resources	Basic Materials	591	1.4
22	Record Financial Group	Financials	570	1.3
23	Elemental Altus Royalties	Basic Materials	508	1.2
24	Xeros Technology	Industrials	507	1.2
25	CT Automotive Group	Consumer Discretionary	506	1.2
26	Zotefoams	Basic Materials	476	1.1
27	Van Elle Holdings	Industrials	476	1.1
28	Mercia Asset Management	Financials	467	1.1
29	Enteq Technologies	Energy	465	1.1
30	Feedback	Health Care	465	1.1
Top 30 investments			23,857	55.2
Balance held in equity instruments *(including warrants)*			17,435	40.3
Total equity investments			41,292	95.5
Listed Put Option				
	UKX – June 2024 5,900 Put		2	0.0
Other net current assets			2,003	4.5
Net assets			43,297	100.0

** Source: Refinitiv. Based on historical yields and therefore not representative of future yields. Includes special dividends where known.*

Portfolio Information continued

Portfolio as at 30 April 2024



Source: Refinitiv.

The tables above set out how the portfolio's capital was deployed as at 30 April 2024. The data is shown in terms of the classifications or the stock markets on which the holdings are listed. UK smaller quoted companies that are not listed on the Main Market of the London Stock Exchange are normally quoted on AIM. The AIM market is set up to meet the requirements of smaller listed companies providing them with the ability to raise funds. This also provides liquidity for the acquisition and disposal of shares. The Company additionally holds certain shares on the Aquis Exchange, a regulated exchange.

The cash position provides the Company with £2.1m of cash resources. This enables the Company to take advantage of investments at opportune times.

The investment income above comprises the income from the portfolio as included in the Income Statement for the year ended 30 April 2024 attributable to the various sectors. The returns of the Company are from Capital and Revenue. Investments for the Company's portfolio are principally selected on their individual merits. As the portfolio evolves, the Manager continuously reviews the portfolio's overall sector and index balance to ensure that it remains in line with the underlying conviction of the Investment Manager. The Investment Policy is set out on page 81, and details regarding risk factors and diversification, whilst other policies are set out each year in the Annual Report.

Performance and Risks

Key Performance Indicators

The Board reviews the Company's performance by reference to a number of key performance indicators ("KPIs") and considers that the most relevant KPIs are those that communicate the financial performance and strength of the Company as a whole. The Board and the Investment Manager monitor the following KPIs:

- **Adjusted NAV performance**
  Whilst the Trust does not have a formal benchmark, its returns are routinely compared with the performance of the peer group and the Deutsche Numis Smaller Companies 1000 Index to provide context. Over the year, the Adjusted NAV total return of the Trust was (12.9)%, which compares to 9.3% for the peer group and 7.2% for the Deutsche Numis Smaller Companies 1000 Index. Since the Company's listing in April 2015, the Adjusted NAV total return was 16.2%, which compares to 82.5% for the peer group and 55.3% for the Deutsche Numis Smaller Companies 1000 Index. The Board believes that a UK investment strategy that delivers returns that are not especially closely correlated with the mainstream UK indices offers diversification benefits to shareholders.

- **Daily stock market trading volumes of the Trust**
  Over the year, the average daily volume of the Company's shares traded each day was approximately 94,000 and, since IPO, an average of approximately 234,000 shares have been traded daily. This indicator tends to be elevated when the Trust is outperforming, although it may be assisted by clearing all the overhanging sellers in the Trust each year at the time of the redemption. Generally, new buyers like to know there aren't any major sellers that are potentially overhanging, waiting to exit.

- **The discount/premium of the share price in relation to the Adjusted NAV**
  At times, the number of shareholders looking to transact in the Trust's shares exceeds the market's daily liquidity. Imbalances like this are normally cleared through stock market transactions over a few weeks, but on occasion these imbalances can become persistent leading the Trust's share price to diverge from the daily Adjusted NAV. The Board believes that the existence of the Trust's redemption facility assists in keeping this divergence to a minimum over the long term. Although during the year under review the Trust's share price has traded 9.2% below its daily Adjusted NAV on average, since launch this discount has been maintained below 5%. The Trust has an objective to keep this divergence to a minimum. Over the year under review, the Trust's share price has traded on average 9.48% below its daily Adjusted NAV.

- **Ongoing charges**
  The ongoing charges on the Ordinary Shares for the year to 30 April 2024 amounted to 1.99% (30 April 2023: 1.72%) of total assets. Further details are set out on page 93.

Performance and Risks continued

Principal Risks and Uncertainties

The Company is exposed to a variety of risks and uncertainties that could cause its asset price or the income from the investment portfolio to reduce, possibly by a sizeable percentage in the most adverse circumstances. The principal financial risks and the Company's policies for managing these risks and the policy and practice with regard to the portfolio are summarised in note 18 to the financial statements.

The Board, through delegation to the Audit and Management Engagement Committees, undertakes a robust annual assessment and review of the principal risks facing the Company, together with a review of any new and emerging risks which may have arisen during the year, including those that would threaten its business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk matrix. Information regarding the Company's internal control and risk management procedures can be found in the Corporate Governance Statement on pages 34 to 40.

Listed below is a summary of the principal and emerging risks identified by the Board and actions taken to mitigate those risks.

Risk	Mitigation
Investment and strategy	
There can be no guarantee that the investment objective of the Company will be achieved. The Company will invest primarily in small UK quoted or traded companies by market capitalisation. Smaller companies can be expected, in comparison to larger companies, to have less mature businesses, a more restricted depth of management and a higher risk profile. These companies are normally traded less frequently on the stock exchanges and, when aggregated with holdings in other client funds of the Investment Manager, the combined funds may have a significant percentage ownership of investee companies. Many businesses are facing additional financial challenges due to demand fluctuations, and/ or additional cost of supply currently, due to the effects of the Ukrainian war.	The Investment Manager has long experience of managing portfolios of this nature, including dealing in smaller capitalisation companies, and deploying an approach that is designed to maximise the chances of the investment objective being achieved over longer-term time horizons. The Company is reliant on its Investment Manager's investment process. The Board reviews and discusses the investment approach at each Board meeting, and if it isn't satisfied, in extremis, it can appoint another Investment Manager. The Manager looks to mitigate the higher risk profile of individual quoted smaller companies by ensuring that the Company holds a well-diversified portfolio, both by number of companies and areas of operation. The Company's diversified portfolio holds some stocks where prospects have improved that offset some others where they have deteriorated. The Company is structured as a closed-ended fund, which means that it is not subject to daily inflows and outflows of capital.

Risk	Mitigation
Reliance on third parties	
The Company has no employees and is reliant on the performance of third-party service providers. Failure by the Investment Manager or any other third-party service provider to perform in accordance with the terms of their appointment could have a material detrimental impact on the operation of the Company. This could include failure of a counterparty on whom the Company is reliant.	The Board monitors and receives reports on the performance of its key service providers. In relation to the risk of counterparty failure, the Board reviews the controls report of the Depositary. The Board may, in any event, terminate all key contracts on normal commercial terms.
Loss of key personnel/fund managers	
The Company depends on the diligence, skill, judgement and business contacts of the Investment Manager's investment professionals and its future success could depend on the continued service of these individuals, particularly Gervais Williams and Martin Turner.	The Company may decide to terminate the Management Agreement should both Gervais Williams and Martin Turner cease to be employees of the Management group and if they are not replaced by a person/s who the Company considers to be of equal or satisfactory standing within three months of one or both of their departures.
Share price volatility and liquidity/marketability risk	
The market price of the Ordinary Shares, as with shares in all investment trusts, may fluctuate independently of their underlying Adjusted NAV and may trade at a discount or premium at different times, depending on factors such as supply and demand for the Ordinary Shares, market conditions and general investor sentiment. The Company may become too small to be attractive to a wide audience, with lesser stock market liquidity and a wider share price discount. The consequences of the UK's vote to leave the EU continues to cause uncertainties for financial markets, together with the Russia-Ukraine war and the ongoing conflict in the Middle East.	The Company has in place an annual redemption facility whereby shareholders can voluntarily tender their shares. The Board monitors the relationship between the share price and the Adjusted NAV. The Company has powers to repurchase shares should there be an imbalance in the supply and demand leading to a persistent and excessive discount. The Investment Manager and, on occasion, the Directors maintain dialogue with shareholders through regular face-to-face meetings.

Performance and Risks continued

Risk	Mitigation
Costs of operation	
As stated, the Company relies on external service providers. Many of these are paid on a basis where their fees are related to the size of the Company (an "ad valorem" basis). Others are for fixed monetary amounts. Therefore, if the Company were to shrink, through redemptions, buybacks or asset performance, the cost per share of running the Company would increase. This could make it harder to achieve the investment objective.	The Board monitors the costs of all service providers. The Board is also committed to the controlled growth of the Company which would spread the fixed costs over a larger asset base. In the event that the Company was to decrease in size from its current level, the Board has capped the total costs at no more than 2% of the aggregate market capitalisation. The ongoing charges for the year to 30 April 2024 amounted to 1.99% (30 April 2023: 1.72%).
Regulatory risk/change in tax status	
The Company is subject to laws and regulations enacted by national and local governments. Any change in the law and regulation affecting the Company may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment policy.	The Board receives regular updates from its Secretary, Broker, industry representatives and its Investment Manager on significant regulatory changes that may impact the Company. The Company's ability to determine the shape of regulatory or tax changes is limited and therefore the Board aims to ensure that it is well informed and prepared to respond to changes as they emerge.
Cyber Risk/IT Security	
Errors, fraud or control failures by the Company's key service providers or loss of data through increasing cyber threats or business continuity failure could damage the Company's reputation or investors' interests or result in losses.	The Board receives regular control reports and cyber/IT policies from all material service providers to ensure that controls are in place including business continuity and disaster recovery arrangements.

Risk	Mitigation
The Company may be subject to legal action by others	
The investment portfolio comprises the principal assets of the Company, and is valued on their market bid price along with its cash balances. One way to realise a return for investors is to accept a takeover offer, often at a premium to the market price. When these transactions occur, the Company may be in receipt of cash proceeds, that are then reinvested in other equities. When the acquirers are US companies, the Company is at risk that an acquirer subsequently discovers that the commercial value of the business acquired is not as anticipated, and may try to reclaim some or all of the proceeds paid for the acquisition from the vendors – which in our case is the Company.	The Company would normally expect acquirers to carry out their own due diligence on the assets being acquired, and if there is subsequent disappointment then to seek redress from their advisers.
Major market event, climate change or geo-political risk	
The Company is exposed to stock market volatility or illiquidity as a result of a major market shock due to a national or global crisis, geo-political developments or the effects of climate change. The impact of such risks, associated with the portfolio or the Company itself, could result in disruption to the operations of the Company and losses.	External risks over which the Company has no control are always a risk. The Board is cognisant of its reliance on the operations of the third-party suppliers, including the Manager, to mitigate risks arising from market events, climate change and geo-political developments, such as a global pandemic, Russia's invasion of Ukraine and the ongoing conflict in the Middle East. The climate risk exposure is monitored by the Manager and is not currently considered to be financially material to the valuation of the Trust. More information is available in the TCFD product report which was published on 27 June 2024.

Share Capital

Share Issues
At the Annual General Meeting held on 26 September 2023, the Directors were granted the authority to allot up to 9,464,000 Ordinary Shares (up to an aggregate nominal amount of £9,464) on a non pre-emptive basis. The Company put a new blocklisting facility into place towards the end of the financial year ended 30 April 2020 and, during the year, issued no Ordinary Shares under this blocklisting facility.

The Directors' current authority to allot Ordinary Shares is due to expire at the Company's Annual General Meeting to be held on 24 September 2024. Proposals for the renewal of the authority are included within the Notice of AGM on page 85. Any Ordinary Shares allotted under this authority will not be issued at less than NAV.

Share Redemptions
Valid redemption requests were received under the Company's redemption facility for the 2 November 2023 Redemption Point in relation to 17,714,958 Ordinary Shares, representing 18.7% of the Company's issued share capital.

Purchase of Own Shares
At the Annual General Meeting of the Company held on 26 September 2023, the Directors were granted the authority to buy back up to 14,186,320 Ordinary Shares. No Ordinary Shares have been bought back under this authority during the year under report. The authority will expire at the forthcoming Annual General Meeting, when a resolution for its renewal will be proposed.

Treasury Shares
Shares bought back by the Company may, at the Board's discretion, be held in treasury, from where they could be re-issued at a premium to Adjusted NAV quickly and cost effectively. This provides the Company with additional flexibility in the management of its capital base. No shares were purchased for, or held in, treasury during the year or since the year end.

Issued Share Capital
As at the year end, there were 76,923,603 Ordinary Shares and 50,000 Management shares in issue. Further details of the Company's share capital are set out in note 4 to the financial statements on page 66.

The rights attached to each share class are set out on page 81.

There are no restrictions concerning the transfer of securities in the Company or on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

S.172(1) Statement

Background

Directors have a duty (under section 172 of the Companies Act 2006) to promote the success of a company for the benefit of shareholders as a whole. In doing so, a company must have regard to other broader matters including the likely long term consequences of any decision, and the need to foster a company's relationships with its employees, suppliers, customers and others and to have regard to their interests, the impact of a company on the community and the environment, and the desirability of maintaining a reputation for high standards of business conduct.

Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders and these are taken into account during all its discussions and as part of its decision-making. In considering the Company's stakeholders, the Board has concluded that, as the Company is an externally managed investment trust and does not have any employees or customers in the traditional sense, its key stakeholders comprise its shareholders, suppliers (comprising mainly its Investment Manager, third party service providers and advisers), but they also take account of the Company's responsibilities to regulators and to the environment and the wider community. The section below discusses the actions taken by the Company to ensure that the interests of stakeholders are taken into account.

Shareholders

The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. These include:

Annual General Meeting – The Company encourages the attendance of shareholders at the Annual General Meeting. Shareholders have the opportunity to meet the Directors and the Investment Manager and to address questions to them directly. There is typically a presentation on the Company's performance and on the future outlook by the Investment Manager.

Publications – The Annual Report and Half-Year results are made available on the Company's website and are circulated to those shareholders requesting hard copies. These reports provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by a monthly factsheet, which is available on the website. Feedback and/or questions which the Company receives from shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable.

Shareholder concerns – In the event that shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office or by emailing at mitonukmicrocap@ntrs.com. The Senior Independent Director and other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels.

Investor relations updates – At every Board meeting, the Directors receive updates from the Broker, Peel Hunt LLP, and from the Company Secretary on the share trading activity, share price performance, the Company's share register and investor relations.

S.172(1) Statement continued

Other stakeholders

Investment Manager

Maintaining a close and constructive working relationship with the Investment Manager (Premier Miton) is crucial to the Board. The Investment Manager's performance is critical for the Company to successfully achieve consistent, long-term returns in line with its investment objective. The Board meets with the Investment Manager on a regular basis, both within and outside formal Board meetings, and receives and discusses monthly reports and updates with the Investment Manager when appropriate.

Further details on the relationship with the Investment Manager can be found on page 35.

Suppliers

The Company relies on a diverse range of reputable advisors for support in meeting its obligations.

The Board maintains regular contact with its key external providers, namely the Administrator, the Company Secretary, the Registrar, the Custodian and the Broker, and receives regular reporting from them, both through the Board and committee meetings, as well as outside the regular meeting cycle. Their advice, as well as their needs and views, are regularly taken into account. The Management Engagement Committee formally assesses the performance of third party suppliers, their fees and continuing appointment on an annual basis to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Management Engagement Committee also receives reports on the financial reporting control environments in place at each service provider.

Regulators

The Company can only operate with the approval of its regulators, who have a legitimate interest in how the Company operates in the market and treats its investors and shareholders. The Company regularly considers the control environment in place to ensure that it meets various regulatory and statutory obligations.

Environment and Community

In light of the out-sourced nature of the Company's operations, the Company has very little direct impact on the community or the environment. However, the Investment Manager recognises that it can influence an investee company's approach to Environmental, Social and Governance ("ESG") matters and discusses ESG matters with investee companies on a regular basis. Further information about the Company's approach to environmental, human rights, social and community issues are set out on page 29.

The above mechanisms for engaging with stakeholders are kept under review by the Directors and are discussed on a regular basis at Board meetings to ensure that they remain effective. Should shareholders or other stakeholders of the Company wish to contact the Chairman, they can do so by contacting the registered office of the Company or by sending an email for the attention of the Chairman at mitonukmicrocap@ntrs.com.

Decision-making

The Board considers the impact that any material decision will have on all relevant stakeholders to ensure that it is making a decision that promotes the long-term success of the Company. By way of illustration, decisions taken during the course of the financial year related to the recommendation of payment of a final dividend, the renewal of the annual redemption facility and, after review, a change in key service providers.

Culture

The Company's defined purpose is relatively simple: it is to deliver our investment objective. The culture of the Board promotes a desire for strong governance and long-term investment, mindful of the interests of all stakeholders. The Board believes that, as an investment company with no employees, this is best achieved by working in partnership with its appointed Investment Manager.

The Directors agree that establishing and maintaining a healthy corporate culture among the Board and in its interaction with the Investment Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity through on-going dialogue and engagement with its service providers, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy. The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to Diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies as well as the general culture of the Board through Board meetings and in particular during the annual evaluation process which is undertaken by each Director (for more information see the performance evaluation section on page 37).

The Board seeks to appoint the appropriate service providers and evaluates their remit, performance and cost effectiveness on a regular basis as described on page 26. The Board considers the culture of the Investment Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of performance and the continuing appointment of all service providers.

Management, Social, Environmental and Diversity Matters continued

Management Arrangements

The Company's investment manager is Premier Portfolio Managers Limited (the "Investment Manager"). The Investment Manager is responsible for the management of the Company's portfolio in accordance with the Company's investment policy and the terms of the Management Agreement dated 8 April 2015 and restated 20 October 2020.

The Board has appointed Premier Portfolio Managers Limited as the alternative investment fund manager ("AIFM") of the Company.

Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties. The management fee is payable monthly in arrears and is at the rate of 0.9% per annum where the market capitalisation is at or below £100,000,000 and 0.8% thereafter, calculated in respect of each calendar month, of the market capitalisation at the relevant calculation date. In addition to the basic management fee, and for so long as a Redemption Pool (see page 80 for details) is in existence, the Investment Manager is entitled to receive from the Company a fee calculated at the rate of 0.9% per annum of the net asset value of the Redemption Pool on the last Business Day of the relevant calendar month.

The Investment Manager has agreed that, for so long as it remains the Company's investment manager, it will rebate such part of any management fee payable to it so as to help the Company maintain an ongoing charges ratio of 2% or lower.

In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is expected to be charged to capital and the remaining 25% to income.

The Management Agreement is terminable by either the Investment Manager or the Company giving to the other not less than 12 months' written notice. The Management Agreement may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including insolvency or in the event of a material breach by the Investment Manager of the Management Agreement which is not remedied within thirty days of the receipt of notice. The Company has given certain market standard indemnities in favour of the Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the Management Agreement.

The Board appointed Northern Trust Investor Services Limited as Depositary. The annual fee (based on Adjusted NAV) for depositary services due to Northern Trust Investor Services Limited is 0.01% up to £500m and 0.008% above £500m, subject to a minimum fee of £7,500.

Administrative Services are delegated by Premier Portfolio Managers Limited (PPM) to Northern Trust under an agreement dated 22 November 2023, which may be terminated by either party on at least six months' prior written notice.

Continuing Appointment of the Investment Manager

The Board, through the Management Engagement Committee, keeps the performance of the Investment Manager under continual review and the Management Engagement Committee conducts an annual appraisal of the Investment Manager's performance, and makes a recommendation to the Board about the continuing appointment of the Investment Manager. It is the opinion of the Board that the continuing appointment of the Investment Manager is in the interests of shareholders as a whole. The Board believes that the Investment Manager has executed the investment strategy in line with the Prospectus. The Directors also believe that by paying the management fee calculated on a market capitalisation basis, rather than a percentage of assets basis, the interests of the Investment Manager are more closely aligned with those of shareholders.

Environmental, Human Rights, Employee, Social and Community Issues

The Company does not have any employees and the Board consists entirely of non-executive Directors. The day-to-day management of the business is delegated to the Investment Manager. As an investment trust. As such, the Company has no environmental, human rights, social or community policies. However, in carrying out its investment activities and in relationships with suppliers, the Company aims to conduct itself responsibly and ethically. The Company has a zero tolerance policy towards bribery and corruption and as such is committed to carrying out its business fairly, honestly and openly. Further information about the Company's relationships with its stakeholders is set out in the s.172 Statement on pages 25 to 27.

Diversity

The Board of Directors of the Company comprises two female and two male Directors. The Company's Diversity Policy acknowledges the benefits of all aspects of increased diversity, including gender and ethnic diversity, as well as diversity of thought and perspective. The Board remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience and backgrounds. The Board will always appoint the best person for the job and will not discriminate on any grounds including gender, race, ethnicity, religion, sexual orientation, age or physical ability.

Approval

The Strategic Report has been approved by the Board of Directors.

On behalf of the Board

Ashe Windham
Chairman
11 July 2024

Directors

All the Directors are non-executive and are independent of the Investment Manager.

Ashe Windham, CVO – Chairman

Elected 29 September 2016

Following 11 years' service in the British Army, Ashe joined Barclays de Zoete Wedd ("BZW") in 1987 as an institutional equities salesman and was appointed a Director of BZW's Equities Division in 1991. He joined Credit Suisse First Boston in 1997 when they acquired BZW's equities business. In 2004, he joined Man Investments as Head of Internal Communications and in 2007 became Man Group's Global Head of Internal Communications. In June 2009 he resigned from Man Group plc to set up a private family office, which he continues to run. Ashe is the chairman of the Cancer & Pisces Trust and of The Kyle of Sutherland Fisheries Trust, whilst he is also a non-executive director of EFG Asset Management (UK) Limited and Chair of the Remuneration Committee.

Peter Dicks – Chairman of the Audit Committee

Elected 29 September 2016

Peter was a founder director of Abingworth plc in 1973, a venture capital investment company, mainly investing in the USA but also in the UK, where he worked from 1973 to 1991. Since then he has been a non-executive director or chairman of a number of companies. He is on the Board of Mercia Fund 1 General Partner Limited and Averon Park Limited and currently the chairman of SVM Emerging Fund and Unicorn Asset Management Limited.

Louise Bonham

Elected 26 September 2023

Louise has considerable experience in the property, banking and professional services industries. Louise is CEO of MAPP, a property services company and has held a wide range of senior appointments including at CBRE and Cushman & Wakefield where she was a member of the UK & Ireland Executive Committee. Previously, Louise held positions at Deloitte and as an equities analyst at Deutsche Bank. Louise is a Chartered Accountant and a Fellow of the Institute of Chartered Accountants in England and Wales.

Davina Walter

Elected 22 September 2021

Davina Walter is an experienced investment professional. She started her career at Cazenove & Co where she spent more than 11 years, ending up as the Head of US equity research.

She then spent over 16 years as an investment manager of both large and small cap US equities, most recently as a Managing Director at Deutsche Asset Management. She has been actively involved with investment trusts since 1985 and is Chairman of abrdn Diversified Income and Growth plc.

Report of the Directors

The Directors present their report and the financial statements for the year ended 30 April 2024.

Directors

The Directors in office at the date of this Report and the dates of their election are shown on page 30. In accordance with the policy adopted by the Board, all the Directors will retire and stand for re-election at the Company's forthcoming Annual General Meeting ("AGM").

Following consideration of the results of the performance evaluation, the Board was assured that the performance of all Directors continues to be effective, that they bring extensive knowledge and commercial experience to the Board, demonstrate a range of valuable business, financial and investment trust skills, that they continue to be effective and their contribution supports the long-term success of the Company and that they remain wholly independent. The Board therefore recommends that shareholders vote in favour of each Director's proposed election.

None of the Directors or any persons connected with them had a material interest in the transactions and arrangements of, or the agreement with, the Investment Manager during the year.

Substantial Shareholdings

So far as is known to the Company by virtue of notifications made to it pursuant to the Disclosure Guidance and Transparency Rules, the following persons held notifiable interests in the Company's voting rights as at 30 April 2024:

	Number of Ordinary Shares	% of voting rights
Rathbone Investment Management Limited	15,219,330	19.79
Investec Wealth & Investment Limited	9,380,474	9.91
City of Bradford - Pension Fund	6,118,600	7.95
Wesleyan Assurance Society	4,448,200	5.78
CG Asset Management Ltd	3,878,927	5.04
Brewin Dolphin Limited	2,766,380	3.60
Charles Stanley Group plc	2,138,049	2.78

The Company has been informed of the following notifiable interests between 30 April 2024 and the date of this report.

	Number of Ordinary Shares	% of voting rights
Rathbone Investment Management Limited	13,841,714	17.99

It should be noted that these holdings may have changed since notified to the Company and may not therefore be wholly accurate statements of actual holdings. However, notification of any change is not required until the next applicable threshold is crossed.

Dividends

The Directors have recommended the payment of a final dividend in respect of the year of 0.09 pence per Ordinary Share, payable on 25 October 2024 to shareholders who appear on the register on 27 September 2024. The ex-dividend date will be 26 September 2024.

Future Developments

A review of the year and the outlook for the next year are set out in the Investment Manager's Report on pages 10 to 14

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in note 18 to the financial statements.

Corporate Governance

The Corporate Governance Statement on pages 34 to 40 forms part of the Report of the Directors. It includes details of the qualifying third party indemnity provisions and Directors' and Officers' liability insurance on page 36.

Post Balance Sheet Events

Disclosures relating to post balance sheet events can be found in the notes on page 79.

Going Concern

The Directors consider that it is appropriate to adopt the going concern basis. Cashflow projections have been reviewed and show that the Company has sufficient funds to meet its contracted expenditure. On the basis of the review and, as the majority of net assets are securities which are traded on recognised stock exchanges, after making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Directors have carried out a robust assessment of the principal and emerging risks set out on pages 20 to 23 of this report, including the risks arising from market volatility, the Russia-Ukraine war and the ongoing conflict in the Middle East and their impact on the liquidity of the portfolio and resultant cashflow, along with the Company's ability to meet obligations as they fall due, its ability to raise finance in the short and longer term and future prospects and results. The Directors will assess the impact of the Company's annual redemption facility on its cash reserves. Accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date that these financial statements were approved.

Viability Statement

In accordance with the AIC Code of Corporate Governance, the Board has considered the prospects for the Company.

The period assessed is the three years to April 2027. The Company is intended to be a long-term investment vehicle. It was launched in 2015, and due to the limitations and uncertainties inherent in predicting market and political conditions, the Directors have determined that three years is the appropriate period over which to make this assessment.

As part of its assessment of the viability of the Company, the Board has considered the principal risks and uncertainties and the impact on the Company's portfolio of a significant fall in UK markets.

To provide this assessment, the Board has considered the Company's financial position and its ability to liquidate its portfolio to meet its expenses or other liabilities as they fall due:

- the Company invests largely in companies listed and traded on stock exchanges. These are actively traded and, whilst perhaps less liquid than larger quoted companies, the portfolio is well diversified by both number of holdings and industry sector;
- the expenses of the Company are predictable and modest in comparison with the assets in the portfolio. There are no commitments that would change that position;
- the Company has no employees; and
- the Company has an annual redemption facility whereby shareholders may request that their shares are redeemed at NAV. The Board has considered the possibility that shareholders holding a significant percentage of the Company's shares request redemption. Firstly, the Board has flexibility over the method and date of redemption so can avoid disruption to the overall operation of the Company in this situation. Secondly, the Company has an arrangement with the Investment Manager to rebate fees should total costs exceed 2% of aggregate market capitalisation, such that were there to be significant redemption, or a significant fall in the value of the portfolio, the expenses of operation would be manageable. In addition, some of the expenses vary in line with the size of the Company.

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In addition to considering the principal risks on pages 20 to 23 and the financial position of the Company as described above, the Board has also considered the following further factors:

- the continuing relevance of the Company's investment objective in the current environment and the continued satisfactory performance of the Company;
- the level of demand for the Company's shares and that since launch the Company has been able to issue further shares;
- the gearing policy of the Company; and
- that regulation will not increase to such an extent that the costs of running the Company become uneconomic.

Accordingly, the Directors have formed the reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years, from the balance sheet date.

Greenhouse Gas Emissions and Task Force on Climate-related Financial Disclosures (TCFD)

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, including those within its underlying investment portfolio. There is no requirement for disclosures under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the UK government's policy on Streamlined Energy and Carbon Reporting. Under Listing Rule 15.4.29(R), the Company, as a closed-ended investment fund, is currently exempt from complying with the TCFD. However, as a regulated entity, PPM produces firm and product level TCFD reports, including for this Trust, which are published to its website and can be found at https://www.mitonukmicrocaptrust.com/documents/

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include specified information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. There are no disclosures required in relation to Listing Rule 9.8.4.

Audit Information

Each of the Directors who held office at the date of approval of the Report of the Directors confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's Auditor is unaware; and that he/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

The Company's auditor is BDO LLP. BDO LLP has confirmed its willingness to continue to act as the Company's Auditor and resolutions for its re-appointment and for the Audit Committee to determine its remuneration will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Company's Annual General Meeting (AGM) will be held on 24 September 2024 and the formal Notice of the AGM can be found on page 85.

Assessment and Approval

The Board is of the opinion that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Report of the Directors has been approved by the Board.

By order of the Board.

Northern Trust Secretarial Services (UK) Limited
Company Secretary
11 July 2024

Corporate Governance Statement

This Corporate Governance Statement forms part of the Report of the Directors.

Statement of Compliance

The Company is committed to maintaining high standards of corporate governance. The Board of the Company has considered the principles and recommendations of the AIC Code of Corporate Governance for Investment Companies ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"), both as published in February 2019. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Financial Reporting Council ("FRC"), the UK's independent regulator for corporate reporting and governance responsible for the UK Code, has endorsed the AIC Code and the AIC Guide. The terms of the FRC's endorsement mean that AIC members who report against the AIC Code and the AIC Guide meet fully their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules.

In January 2024, the FRC published a revised version of the UK Corporate Governance Code and associated Corporate Governance Code Guidance. The scope of the changes in the revised version has been significantly scaled back from the proposals on which the FRC originally consulted in 2023. The most significant changes in this version of the Corporate Governance Code are to the reporting requirements in relation to internal controls in section 4, though changes are being made throughout, including in section 1 on outcomes-based reporting; section 3 on diversity, inclusion and equality of opportunity; and to the provisions on remuneration in section 5. The revised Corporate Governance Code will apply to financial years beginning on or after 1 January 2025. However, companies will have an extra year to comply with the new disclosure requirements in relation to internal controls, with the revised Provision 29 applying to financial years beginning on or after 1 January 2026. The Board will review the changes to the Corporate Governance Code and any corresponding changes to the AIC Code (which have not yet been published) during 2024 with a view to ensuring that it can report on its compliance with effect from 1 January 2025 or explain any areas of non-compliance.

The Company complies with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to: the role of the chief executive; executive directors' remuneration; and the need for an internal audit function. For the reasons set out in the AIC Guide and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company does not therefore comply with these provisions and has not reported further in respect of them.

A copy of the AIC Code and the AIC Guide can be obtained via the AIC website, www.theaic.co.uk.

A copy of the UK Code can be obtained at www.frc.org.uk

The Board of Directors

The Board consists entirely of non-executive Directors, who are independent of the Investment Manager. The Company has no employees. No one individual has unfettered powers of decisions made by the Board.

The Board is accountable to shareholders for the direction and control of all aspects of the Company's affairs, notwithstanding any delegation of responsibilities to third parties. A detailed description of the role of the Board and its relationship with the Investment Manager are set out further below.

The names and responsibilities of the Directors, together with their biographies and details of their significant commitments, are set out on page 30. The Directors possess a wide range of business and financial expertise relevant to the leadership of the Company, including the ability and willingness to provide robust and objective challenge to the views and assumptions of the Investment Manager and other Directors. All of the Directors consider that they have sufficient time to devote to the Company's affairs and that they carry out their duties effectively.

No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company.

The Directors have chosen to follow the practice of annual re-election by shareholders at the AGM. The Directors' appointments can be terminated in accordance with the Articles and without compensation. The Directors' letters of appointment are available for inspection at the Company's registered office and will be available at the Annual General Meeting.

The appointment of any new Director will be made on the basis of assessing the candidate's merits, measuring his or her skills and experience against the criteria identified by the Board as being desirable to complement the composition and qualification of the Board. In accordance with the Board's Diversity Policy, the Board will consider all elements of diversity when evaluating the skills, knowledge and experience necessary to fill any Board vacancy. The Board has established the following measurable objectives for achieving diversity on the Board:

- all Board appointments will be made on merit, in the context of the skills, knowledge and experience that are needed for the Board to be effective;
- long lists of potential non-executive directors should include diverse candidates of appropriate merit; and
- only executive search firms who have signed up to the voluntary Code of Conduct on gender diversity and best practice will be engaged.

The policy is reviewed on an annual basis.

The Board, or the Investment Manager upon request of the Board, shall offer induction training to new Directors about the Company, its key service providers, the Director's duties and obligations and other matters as may be relevant from time to time.

Board Responsibilities and Relationship with the Investment Manager

The main roles of the Board are to create value for shareholders, provide leadership to the Company and approve the Company's strategic objectives. Specific responsibilities in relation to investments and the Investment Manager include:

Determining the Company's investment policy and strategy, promoting the long-term success of the Company, generating value for shareholders and contributing to wider society; determining the Company's gearing policy; monitoring the controls of the Investment Manager, and reviewing the investment activity, performance and contractual arrangements with the Investment Manager. The Board is also responsible for maintaining proper internal controls and monitoring shareholders' opinions and engaging with them effectively. The Board has adopted a schedule of matters reserved for decision by the Board reflecting the above responsibilities and reviews this schedule regularly.

The Company's day-to-day functions have been sub-contracted to a number of service providers, each engaged under a separate legal agreement. The management of the Company's assets has been delegated to the Investment Manager, Premier Fund Managers Limited. The Investment Manager has discretion to manage the Company's assets in accordance with the Company's investment policy, subject to the overall control and supervision of the Directors.

Premier Portfolio Managers Limited is appointed as the Company's AIFM for the purposes of the Alternative Investment Fund Manager Directive ("AIFMD").

Premier Portfolio Managers Limited is appointed as fund administrator. Fund administration services have been delegated by Premier Portfolio Managers Limited to Northern Trust Global Services SE.

Corporate Governance Statement continued

Chairman and Senior Independent Director

The Chairman, Ashe Windham, is responsible for leadership of the Board and ensuring its effectiveness. The Chairman sets the Board's agenda, ensuring a particular focus on the overall strategy of the Company, and allows adequate time for discussion of all agenda items. Ashe Windham was considered to be independent on appointment and is deemed by his fellow Board members (all who are independent themselves) to continue to be independent and to have no conflicting relationships, in accordance with the criteria set out in the AIC Code.

Davina Walter, was appointed as the Senior Independent Director of the Company effective 1 May 2024, replacing Peter Dicks. Davina provides a channel for any shareholder concerns regarding the Chairman and takes the lead in the annual evaluation of the Chairman by the independent Directors. The full responsibility of the Chairman and Senior Independent Director as agreed by the Board is set out on the Company's website.

Board Operation

The Board holds regular Board meetings at least four times a year, with additional meetings arranged as necessary. The table below sets out the attendance record of individual Directors at the scheduled Board and Committee meetings held during the year ended 30 April 2024.

This table provides details of scheduled meetings held in the financial year and the attendance at each meeting of each Director. From time to time, the Board is required to hold meetings outside of its planned schedule to consider topics that require immediate attention or to approve ad-hoc matters and transactions. There were additional ad-hoc Board meetings held during the financial year related to approval of the half year report and accounts.

At each scheduled Board meeting, the Chairman follows a formal agenda, circulated to the Directors in advance by the Secretary. The Secretary and Investment Manager regularly provide the Board with relevant financial information, briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice. At each Board meeting, one or more representatives from the Investment Manager are in attendance to present verbal and written reports covering the Company's activity, portfolio and investment performance over the preceding period. Communication between the Board and the Investment Manager and other service providers is maintained between formal meetings. The Board endeavours to provide support, robust and objective challenge and a different perspective to the Investment Manager, to help optimise the performance of the Company. The Board and the Investment Manager operate in a fully co-operative and open environment. The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may take independent professional advice at the Company's expense.

As permitted by its Articles of Association and subject to the provisions of UK legislation, the Company has granted a third-party indemnity to each Director in respect of liabilities which they may sustain or incur in connection with the discharge of their duties as a Director. The indemnity also

	Scheduled Board meetings		Scheduled Audit Committee meetings		Scheduled Management Engagement Committee meetings		Scheduled Nomination and Remuneration Committee meetings	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Peter Dicks	4	4	2	2	1	1	1	1
Louise Bonham	4	4	2	2	1	1	1	1
Davina Walter	4	4	2	2	1	1	1	1
Ashe Windham	4	4	2	2	1	1	1	1

covers reasonable legal and other defence expenses, although these would have to be repaid in the event of a conviction. Deeds of indemnity in favour of each of the Directors were executed on behalf of the Company on their appointment and remain in force as at the date of signing of this Report. There are no other qualifying third party indemnity provisions in place. In addition, Directors are covered by Directors and Officers' liability insurance.

Board Committees

In order to enable the Directors to discharge their duties, there are three Board committees, each with written terms of reference. Committee membership is set out on page 30 of this Report. Attendance at meetings of the committees is restricted to members and persons expressly invited to attend. The Chairman of the Board acts as Chairman for the committees, with the exception of the Audit Committee, which is currently chaired by Peter Dicks.

The Company Secretary acts as the Secretary to each committee.

The Terms of Reference of each committee are available on the Company's website at www.mitonukmicrocaptrust.com/documents/.

Further details on the composition and role of the Audit Committee and its activities during the financial year can be found on pages 41 to 43.

Board Evaluation

The Directors recognise the value of continually monitoring and enhancing the performance of the Board and view the regular evaluation of the Board, its Committees and individual Directors as a means of obtaining valuable feedback on areas for development.

In the year ended 30 April 2024, the Board conducted an annual review of its performance and that of the Chairman and individual Directors by way of questionnaires, which addressed the areas indicated by the AIC Code. In particular, the questionnaires were designed to assess the qualifications, independence, composition, diversity, and performance of the Board, and the performance of the Board's Committee, the Chairman and individual Directors. The questionnaires were also intended to assess whether the focus of Board meetings and the information provided were appropriate and to identify any training and development needs for individual Directors.

The Board concluded that the Board has effective oversight of the management of the Company and has the appropriate diversity of skills and experience to safeguard shareholders' interests. The review did not identify any areas of concern.

Independence of Directors

In accordance with the AIC Code, the Board evaluation included a review of the independence of each individual Director and the Board as a whole.

Mr Dicks holds less than 0.5% of the issued share capital of Premier Miton Group Plc, the parent company of the Investment Manager. The Board considers the holding to be immaterial and of no impact to his independence.

None of the Directors has any significant shareholdings in companies where the Company has a notifiable stake or a holding which amounts to more than 1% of the Company's portfolio.

The Board is of the view that, having reviewed all required factors, all Directors met, and continue to meet, the independence criteria set out in the AIC Code.

The Board's policy on diversity is to ensure that the Directors on the Board have a broad range of experience, skills and knowledge, with diversity of thinking, background and perspective. Appointments to the Board are made on merit against objective criteria, having regard to the benefits of diversity and the current and future needs of the business and the other factors set out in the AIC Code.

Diversity, including, but not limited to, gender, social background, ethnicity, age, sexual orientation, disability and professional and industry specific knowledge, is an important consideration in ensuring that the Board and its committees have the right balance of skills, experience, independence and knowledge necessary to discharge their responsibilities. The Board notes the new FCA rules on diversity and inclusion on company boards, namely, that from accounting periods starting on or after 1 April 2023:

a) At least 40% of individuals on the Board to be women;

b) At least one senior Board position to be held by a woman; and

c) At least one individual on the Board to be from a minority ethnic background.

In accordance with Listing Rule 9 Annex 2.1, the below tables, in prescribed format, show the gender and ethnic background of the Directors at the date of this Report.

Diversity Table	Number Board members	Percentage on the Board	Number senior positions on the Board
Men	2	50%	1
Women*	2	50%	1
Not specified/ prefer not to say	—	—	—

** Davina Walter was appointed Senior Independent Director on 1 May 2024, making one woman in a senior position.*

Diversity Table	Number Board members	Percentage on the Board	Number senior positions on the Board
White British or other White (including minority white groups)	4	100%	2
Mixed/Multiple Ethnic Groups	—	—	—
Asian/Asian British	—	—	—
Black/African/ Caribbean/Black British	—	—	—
Other ethnic group, including Arab	—	—	—
Not specified/ prefer not to say	—	—	—

The data in the above tables was collected through self-reporting by the Directors.

As at 30 April 2024 the Board comprised of four members. The gender breakdown is as follows:

2 (50% female); 2 (50% male). The ethnic diversity target (that at least one individual on the Board is from a minority ethnic background) has not been met. Whilst the Board does not feel that it would be appropriate to set targets as all appointments must be made on merit, the Board supports the recommendations for senior positions to be held by female directors and ethnic representation on the Board, and both of these factors are key considerations in succession planning.

Election/Re-election of Directors

Under the Company's Articles of Association, Directors are required to retire at the first Annual General Meeting following their appointment and offer themselves for election.

Thereafter, Directors are required to retire from office and stand for re-election at intervals of not more than three years. The AIC Code and UK Code recommend that all Directors should be subject to annual re-election by shareholders. The Company recognises this to be good corporate governance and has therefore chosen to follow this practice. The maximum length of service for any Director will be nine years from first election. Exceptions could be made in unusual circumstances, for example if the Company were in the middle of a corporate action.

Conflicts of Interest

Under the Articles of Association of the Company, the Board must consider and, if it sees fit, may authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company.

In line with the AIC code 2019, the Board has established a formal system to consider authorising such conflicts, whereby the Directors who have no interest in the matter decide whether to authorise the conflict and any conditions to be attached to such authorisations.

Stewardship Responsibilities and the use of Voting Rights

As an externally-managed investment company, the majority of the responsibilities of the Board in relation to engagement with investee companies are delegated to the Investment Manager.

The Board retains oversight of the investor stewardship exercised on its behalf by reviewing the Investment Manager's stewardship and voting policies, considering the regular updates on engagement provided by the Investment Manager and holding the Investment Manager to account. The Investment Manager has published a statement of compliance with the UK Stewardship Code, which is available on its website at www.premiermiton.com. The Board reviews this statement of compliance annually.

Company Secretary

The Board has direct access to the advice and services of the Secretary, Northern Trust Secretarial Services (UK) Limited. The Secretary is responsible for ensuring that Board and Committee procedures are followed and that information and reports are delivered to the Board on a timely basis. The Secretary is also responsible for ensuring that applicable regulations are complied with and the statutory obligations of the Company are met.

Internal Controls and Risk Management Systems

The Board has overall responsibility for establishing and maintaining the Company's systems of internal controls and risk management and the reliability of the financial reporting process and for reviewing their effectiveness.

The Directors have reviewed and considered the guidance supplied by the FRC on Risk Management, Internal Control, and Related Finance and Business Reporting and an ongoing process has been established for identifying, evaluating and managing the risks faced by the Company. The Board maintains a risk matrix, which consists of a detailed risk and internal control assessment and provides the basis for the Committee and the Board to regularly monitor the effective operation of the controls and to update the risk matrix when new risks are identified. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and was in place at the date of the signing of this Report. The risk management process and Company's systems of internal control are designed to assist the Board in making better, more informed decisions with a view to creating and protecting shareholder value.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded. The purpose of risk management is to manage rather than eliminate the risk of failure in achieving the Company's objectives and involves Directors exercising judgement. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

Internal Controls Assessment

Regular risk assessments and reviews of internal controls will be undertaken in the context of the Company's overall investment objective. The Board, through the Committee, has identified risk management controls in four key areas: corporate strategy; compliance with laws and regulations and disclosure; relationships with service providers; and investment and business activities. In arriving at its judgment of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective;

- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the Company and third parties operating the relevant controls.

The risk matrix, established and maintained by the Company, is structured so as to allow the Board to assess the risks against how those risks are managed. The risks are assessed on the basis of the likelihood of occurrence, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. The risk register is reviewed at meetings of the Audit Committee and at other times as necessary.

The Board also reviews information provided by the Investment Manager and the Secretary on a regular basis.

Most functions for the day-to-day management of the Company are sub-contracted to appropriately qualified third parties, and the Board therefore obtains regular assurances and information from key third party suppliers, including the Investment Manager, the Administrator and the Depositary, regarding the internal systems and controls operated in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Management Engagement Committee.

The Board has carried out a review of the effectiveness of the risk management and systems of internal control as they have operated over the year under review and up to the date of approval of this Report. No significant failings or weaknesses were identified from that review and there were no matters arising which required further investigation.

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Shareholder Relations

The Board is committed to ensuring there is open and effective communication with the Company's shareholders and in order that the Directors understand the views of major shareholders on matters such as governance, strategy and performance. Accordingly, both the Board and the Investment Manager give a high priority to shareholder engagement and the Chairman and other Directors are available to enter into dialogue with shareholders. The Investment Manager and the Company's Stockbroker, Peel Hunt LLP, maintain a regular dialogue with major investors and provide the Board with regular reports on feedback from shareholders.

All shareholders are encouraged to attend, ask questions and vote at the Company's AGM to be held on 24 September 2024. A presentation by the fund managers of the Trust will be delivered following the formal business of the AGM and will also be available on the Company's website following the meeting.

The Annual and Half-Yearly Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance. Copies are released to the London Stock Exchange, and the Annual Report is dispatched to shareholders by mail. They are also available from the Secretary or on the Company's website, www.mitonukmicrocaptrust. com/documents/.

Audit Committee Report

I am pleased to present the Audit Committee (the 'Committee') Report for the financial year ended 30 April 2024.

Composition and Operation of the Committee

Given the small size of the Board, it is deemed both proportionate and practical for all Directors to be on the Committee, including the Chairman of the Company who is considered independent. The Board considers that the members of the Committee have the requisite skills and experience, relevant to the sector, as a result of their involvement in financial services, to fulfil the responsibilities of the Committee.

Under its terms of reference, the Committee is required to meet twice a year to discuss the publication of the Company's financial statements. Additional meetings are convened as necessary and the Committee held one additional meeting during the year for the purpose of receiving a presentation from BDO on their report on the annual financial report and reviewing the annual financial report.

Role of the Committee

The primary responsibilities of the Committee are:

- to monitor the integrity of the financial statements of the Company and review the content of the Company's half-year and annual reports and any formal announcements regarding its financial reporting issues and areas of judgement contained within them;
- to advise the Board on whether the content of the annual report and accounts, taken as whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to monitor and keep under review the adequacy and effectiveness of the Company's internal financial controls and risk management and internal control systems;
- to make recommendations to the Board in relation to the selection, appointment, re-appointment or removal of the external auditor, following a review of their independence, objectivity, qualifications, expertise and resources;
- to approve the remuneration and terms of engagement of the external auditor for audit and non-audit services; and
- to review the scope, findings and effectiveness of the external audit process.

The Committee has direct access to the Company's external auditor, BDO LLP, and provides a forum through which the external auditor reports to the Board. Representatives of the external auditor attend meetings of the Committee at least annually.

Principal Activities of the Committee during the Year

The Committee met three times during the year under review and during those meetings it has:

- reviewed the Company's Annual Report for the financial year ended 30 April 2023 and the related results announcements and the Half-Yearly Report to 31 October 2023;
- received and discussed with the Auditor their findings from the audit of the financial year ended 30 April 2023 and the effectiveness of the external audit process;
- reviewed the effectiveness of the risk management systems and internal controls of the Company and related reports from the Investment Manager and other third party providers; and
- agreed the Auditor's fees.

Audit Committee Report continued

The Committee also met once post the year end to review the Company's Annual Report for the year ended 30 April 2024.

Other matters reviewed by the Committees include:

- The Committee's terms of reference;
- The Company's risk matrix;
- The Company's policy on the supply of non-audit services by external auditor; and
- The whistleblowing policy of Premier Portfolio Managers Limited.

The Committee receives a report on internal control and compliance from the Investment Manager's Compliance officer on a six-monthly basis and discusses this with the Investment Manager. The Investment Manager has in place a compliance monitoring plan for testing of controls as an alternative to establishing a separate internal audit function.

The Committee monitors and reviews the effectiveness of the external audit process for the Annual Report, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor. Any concerns with the effectiveness of the external audit process would be reported to the Board. No concerns were raised in respect of the year ended 30 April 2024.

Audit Fees and Non-Audit Services

An audit fee of £59,350 (exclusive of VAT) has been agreed in respect of the audit for the financial year ended 30 April 2024 (2023: £53,500 exclusive of VAT). No non-audit services were provided in the financial year ended 30 April 2024. The Committee has a policy on the engagement of the Auditor to supply non-audit services. All requests for services to be provided by the external auditor are submitted to the Committee in order to ensure that the scope and nature of the proposed work does not affect the Auditor's independence or objectivity.

Independence and Objectivity of the Auditor

Following its review of the independence and objectivity of the Auditor, the Committee has been reassured that no conflicts have arisen during the year. The Committee will, however, continue to monitor the position.

Re-appointment of the Auditor

BDO LLP was appointed as Auditor in April 2020. Following consideration of the performance of BDO LLP, the service provided during the year and a review of their value for money, the Committee has recommended to the Board their re-appointment as Auditor to the Company at the Company's forthcoming AGM.

BDO LLP has been Auditor to the Company since April 2020 and Vanessa-Jayne Bradley has been the audit partner since that time. Rotation of the audit partner will take place every five years in accordance with the FRC revised Ethical Standard 2016. Under the FRC transitional arrangements, the Company is required to re-tender, at the latest, by 2030. The Company intends to re-tender within the timeframe set by the FRC. Due to the short period of time since the Auditor was appointed, it is not considered appropriate to review the Auditor's succession at this point in time. The Committee will regularly consider the level of fees and the independence and objectivity of the Auditor.

Significant Audit Issues considered by the Committee

Following discussion with the Investment Manager and Auditor, the Committee determined that the key risks in relation to the Company's financial statements and how they were addressed were:

Risk	Mitigation
Incomplete or inaccurate revenue recognition	
The recognition of income is undertaken in accordance with the stated accounting policies of the Company.	The Directors review the Company's income, revenue forecasts and the sensitivity of the revenue account to falls in income. Particular attention is paid to any special dividends that the Company may receive.
The valuation and ownership of the investment portfolio	
The Company's investments have been valued in accordance with the accounting policies, as disclosed in note 11 to the financial statements. The great majority of investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 and 2 within the IFRS 13 fair value hierarchy. These are disclosed in note 12 to the financial statements.	The portfolio holdings and their pricing is reviewed and verified by the Investment Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Company uses the services of an independent Depositary (Northern Trust Investor Services Limited) to hold the assets of the Company. The Depositary checks the consistency of its records with those of the Investment Manager on a monthly basis and reports to the Board on an annual basis.
Maintenance of investment trust status	
There is a risk of failure to maintain investment trust status in accordance with s1158/1159 which would have a significant impact on the Company as a result of the potential capital gains tax payable.	The Investment Manager and Administrator have reported to the Audit Committee to confirm continuing compliance with the requirements for maintaining investment trust status.

Peter Dicks
Audit Committee Chairman
11 July 2024

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An ordinary resolution for the approval of the Directors' Remuneration Report will be put to shareholders at the forthcoming AGM. The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Independent Auditor's Report on pages 49 to 55.

Statement from the Chairman

Given the size of the Board, it is not considered appropriate for the Company to have a separate remuneration committee and the functions of this committee are therefore delegated to a joint Nomination and Remuneration Committee. All Directors are members of this Committee which is chaired by the Chairman, Ashe Windham. The Board consists entirely of independent non-executive Directors and the Company has no employees. We have not, therefore, reported on those aspects of remuneration that relate to executive directors.

Directors' fees for the year ended 30 April 2024 are set out on page 45.

Directors' Remuneration Policy

This Remuneration policy was last approved by shareholders at the Company's AGM held in September 2022. As a binding vote on the policy is necessary every three years, an ordinary resolution to approve the policy will be put to shareholders at the AGM in 2025. The Remuneration policy is set out below.

The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs.

The fees for the Directors are determined within the limits (not to exceed £500,000 per year in aggregate) set out in the Company's Articles of Association, or any greater sum that may be determined by an ordinary resolution of the Company. The Chairman does not participate in any discussions relating to his own fee, which is determined by the independent Directors. Directors are not eligible for bonuses, share options or long- term incentive schemes or other performance related benefits as the Board does not believe that this is appropriate for non-executive directors.

The fees for the Directors will be increased annually, effective from the first day of the Company's financial year, by the rate of the Consumer Price Index prevailing at that time.

Under the Company's Remuneration Policy, the fees for the Directors increase annually, effective from the first day of the Company's financial year, by the rate of the Consumer Price Index prevailing at that time. For FY2024, with March 2023 CPI reaching 10.1%, the Directors unanimously agreed not to accept an increase in fees. However, it is not practical to forego pay increases each year as the Company would fall behind peers and be unable to attract sufficiently skilled and experienced new directors, and accordingly for the financial year 2025, the Directors' fees will increase in line with the Remuneration Policy.

Under the Company's Articles of Association, if any Director is called upon to perform extra or special services of any kind, he/she shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive.

Directors are entitled to be paid all reasonable expenses properly incurred in attending Board, Committee or shareholder meetings or otherwise in or with a view to the performance of their duties. There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.

Component	Director	Rate as at 1 May 2024	Rate as at 1 May 2023	Purpose of Remuneration
Annual Fee	Chairman	£39,800	£38,400	Commitment as Chairman[1]
Annual Fee	Non-executive Directors	£28,500	£27,500	Commitment as a non-executive Director[2]
Additional Fee	Audit Committee Chairman	£4,200	£5,500	For additional responsibilities and time commitment[3]
Additional Fee	Senior Independent Director	£1,500	Included as part of Audit Chair fees in 2023	For additional responsibilities and time commitment[3]
Additional Fee	All Directors	N/A	N/A	For extra or special services performed in their role as a Director[4]
Expenses	All Directors	N/A	N/A	No fixed rate. Reimbursement of expenses incurred in the performance of duties as a Director

[1] The Company's policy is for the Chairman of the Board to be paid a higher fee than the other Directors to reflect the more onerous role
[2] The Company's Articles of Association limit the total aggregate annual fees that can be paid to £500,000
[3] The Company's policy is for the Senior Independent Director and Chairman of the Audit Committee to be paid a higher fee than other Directors to reflect the more onerous role
[4] Additional fees would only be paid in exceptional circumstances in relation to the performance of extra or special services

Fees for any new Director appointed will be on the above basis. Fees payable in respect of subsequent periods will be determined following an annual review. Any views expressed by shareholders on the fees being paid to Directors will be taken into consideration by the Board.

It is the Board's policy that Directors do not have service contracts, but Directors are provided with a letter of appointment as a non-executive Director. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Compensation will not be made upon early termination of appointment.

Directors' Fees for the Year (audited)

The remuneration paid to the Directors for the years ending 30 April 2024 and 30 April 2023 is set out in the single total figure table below:

	Year ended 30 April 2024			Year ended 30 April 2023		
	Fixed fees £	Expenses £	Total £	Fixed fees £	Expenses £	Total £
Louise Bonham[1]	27,500	—	27,500	10,436	—	10,436
Peter Dicks	33,000	—	33,000	33,000	—	33,000
Jan Etherden[2]	—	—	—	17,205	—	17,205
Davina Walter	27,500	—	27.500	27,500	—	27.500
Ashe Windham	38,400	—	38,400	38,400	—	38,400
	126,400	—	126,400	126,541	—	126,541

1 Appointed on 15 December 2022
[2] Resigned on 15 December 2022

Directors' Remuneration Report continued

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the previous three years to 30 April 2024.

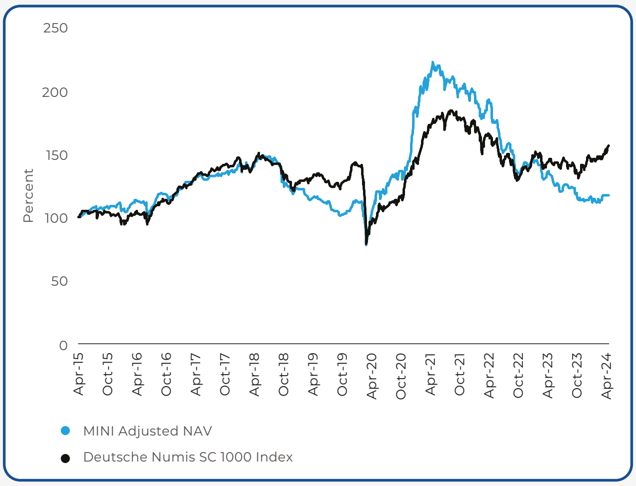
	Percentage change from 2023 to 2024	Percentage change from 2022 to 2023	Percentage change from 2021 to 2022
Louise Bonham[1]	0%	N/A	N/A
Peter Dicks	0%	4.6%	1.5%
Jan Etherden[2]	—	N/A	1.5%
Davina Walter	0%	30.5%	100.0%
Ashe Windham	0%	22.6%	13.1%

1 Appointed on 15 December 2022
2 Resigned on 15 December 2022

Company Performance

The Company does not have a specific benchmark against which performance is measured. The graph opposite compares the total return (assuming all dividends are reinvested) to holders of Ordinary Shares since they were first admitted to the Official List of the Financial Conduct Authority, compared to the total shareholder return of the Deutsche Numis Smaller Companies 1000 Index, which is the closest broad index against which to measure the Company's performance.

Adjusted NAV versus Deutsche Numis SC 1000 Index



Source: Morningstar

The table below shows the proportion of the Company's income spent on pay.

	30 April 2024 £000	30 April 2023 £000	Change %
Total remuneration paid to Directors	126	127	(0.8)
Investment Management fee	392	597	(34.3)
Distribution to shareholders:			
– dividends	142	142	—
– share buyback/ redemption	9,439	10,507	(10.2)

Note: The items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2073 ss.20 with the exception of the investment management fee, which has been included because the Directors believe it will help shareholders' understanding of the relative importance of the spend on pay The figures for this measure are the same as those shown in note 6 to the financial statements. The amounts spent on the redemption of shares are included in line with the GC700 and Investor Group guidance, as this is considered a significant payment. The figures for this measure are the same as those shown in the Statement of Changes in Equity and Cash Flow Statement.

Directors' Beneficial and Family Interests (audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company. The interests of the Directors and their families in the Ordinary Shares of the Company as at 30 April 2024 are set out below:

	Number of Ordinary Shares as at 30 April 2024	Number of Ordinary Shares as at 30 April 2023
Peter Dicks	1, 067,928	468,150
Louise Bonham	50,400	48,800
Ashe Windham	310,000	225,000
Davina Walter	33,228	33,228

There have been no further changes to the Directors' share interests between 30 April 2024 and the date of this Report.

Voting at the Annual General Meeting

The Directors' Remuneration Report for the year ended 30 April 2023 was approved by shareholders at the AGM held on 26 September 2023. The Directors Remuneration Policy was approved by shareholders at the 2022 AGM. The votes cast for each were as follows:

	Directors' Remuneration Report (2023 AGM results)		Directors' Remuneration Policy (2022 AGM results)	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	39,726,218	99.58	38,324,504	99.61
Against	167,153	0.42	150,778	0.39
Total votes cast	39,893,371		38,475,282	
Number of votes withheld	107,930		78,354	

Approval

The Directors' Remuneration Report was approved by the Board on 11 July 2024.

On behalf of the Board

Ashe Windham
Chairman
11 July 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law and UK adopted international accounting standards require the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company's financial statements in accordance with UK adopted international accounting standards. 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 group and company and of the profit or loss for the company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- Prepare a Director's report, a Strategic report and a Director's remuneration report which comply with the requirements of the Companies Act 2006.

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 responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the group's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on its website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Ashe Windham
Chairman
11 July 2024

Independent Auditor's Report to the members of Miton UK Microcap Trust plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Miton UK Microcap Trust plc (the "Company") for the year ended 30 April 2024 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

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

Independence

Following the recommendation of the audit committee, we were appointed formally by the members at the Annual General Meeting on on 22 September 2020 to audit the financial statements for the year ended 30 April 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 5 years, covering the years ended 30 April 2020 to 30 April 2024. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

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

- Evaluating the appropriateness of the Directors' method of assessing the going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to check that the projected costs are reasonable;
- Assessing the projected management fees for the year to check that they are in line with the current assets under management levels and the projected market growth forecasts for the following year;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash resources relative to forecast expenditure and commitments; and
- Challenging the Directors' assumptions and judgements made in their forecasts including performing an independent analysis of the liquidity of the portfolio.

Independent Auditor's Report to the members of Miton UK Microcap Trust plc continued

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

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

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

Overview		2024	2023
Key audit matters	Valuation and ownership of investments	✓	✓
Materiality	**Company financial statements as a whole** £0.4m (2023: £0.6m) based on 1% (2023: 1%) of net assets		

An overview of the scope of our audit

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of investments (Notes 1, 11 and 12)	
The investment portfolio at the year-end comprised of quoted equity investments and a small number of unquoted investments (warrants). We considered the valuation and ownership of investments to be a significant audit area as investments represent the most significant balance in the financial statements and underpin the principal activity of the entity. There is a risk that the bid price used as a proxy for fair value of investments held at the reporting date is inappropriate. Given the nature of the portfolio is such that it comprises mostly of listed level 1 investments, we do not consider the use of bid price to be subject to significant estimation uncertainty. There is however an element of subjectivity in relation to the valuation of the unquoted investments (warrants). There is also a risk of error in the recording of investment holdings such that those recordings do not appropriately reflect the property of the Company. For these reasons and the materiality to the financial statements as a whole, they are considered to be a key area of our overall audit strategy and allocation of our resources and hence a Key Audit Matter.	We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted investments. We performed the following procedures: • Confirmed the year-end bid price was used by agreeing to externally quoted prices; • Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings; • Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and • Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date. For all warrants held at the year end, we performed the following procedures: • Considered the appropriateness of the valuation methodology against the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and applicable accounting standards; • Re-performed the calculation of the investment valuation using a valuation model and compared to the Investment Managers valuation; • Where appropriate, performed a sensitivity analysis where reasonable alternative assumptions could exist; and • Obtained direct confirmation of the number of warrants held from the custodian.
	Key observations: Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the investments was not appropriate.

Our application of materiality

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

Independent Auditor's Report to the members of Miton UK Microcap Trust plc continued

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

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

	Company financial statements	
	2024 £m	2023 £m
Materiality	0.4	0.6
Basis for determining materiality	1% of net assets	
Rationale for the benchmark applied	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
Performance materiality	0.3	0.5
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £21,000 (2023: £30,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

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

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

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

Other Companies Act 2006 reporting

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

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

Independent Auditor's Report to the members of Miton UK Microcap Trust plc continued

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

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

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

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status. This included a review of other qualitative factors and ensuring compliance with these.

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

Our risk assessment procedures included:

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

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

Our procedures in respect of the above included:

- In addressing the risk of management override of control, we:
    - Performed a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
    - Considered the opportunity and incentive to manipulate accounting entries and target tested relevant adjustments made in the period end financial reporting process;
    - Reviewed for significant transactions outside the normal course of business; and
    - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

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

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

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

Use of our report

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

Vanessa-Jayne Bradley
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
London, UK

11 July 2024

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

Income Statement

of the Company for the year ended 30 April 2024

Company	Notes	Year ended 30 April 2024 Revenue return £000	Year ended 30 April 2024 Capital return £000	Year ended 30 April 2024 Total £000	Year ended 30 April 2023 Revenue return £000	Year ended 30 April 2023 Capital return £000	Year ended 30 April 2023 Total £000
Losses on investments held at fair value through profit or loss	11	—	(7,272)	(7,272)	—	(26,765)	(26,765)
Losses on derivatives held at fair value through profit or loss	13	—	(351)	(351)	—	(852)	(852)
(Losses)/gains on foreign exchange		—	(11)	(11)	2	—	2
Income	2	855	—	855	873	—	873
Management fee	6	(97)	(295)	(392)	(149)	(448)	(597)
Other expenses	7	(672)	—	(672)	(676)	—	(676)
Return/(loss) on ordinary activities before finance costs and taxation		86	(7,929)	(7,843)	50	(28,065)	(28,015)
Finance costs	8	—	(21)	(21)	—	(39)	(39)
Return/(loss) on ordinary activities before taxation		86	(7,950)	(7,864)	50	(28,104)	(28,054)
Taxation	9	(12)	—	(12)	(18)	—	(18)
Return/(loss) on ordinary activities after taxation		74	(7,950)	(7,876)	32	(28,104)	(28,072)
Return/(loss) per Ordinary Share – basic and diluted (pence)	3	0.09	(9.26)	(9.17)	0.03	(28.96)	(28.93)

The total column of this statement is the Income Statement of the Company prepared in accordance with UK International Accounting Standards in conformity with the requirements of UK IFRS. The supplementary revenue return and capital return columns are presented in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies ("AIC SORP").

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

There is no other comprehensive income and, therefore, the return on ordinary activities after taxation is both the profit and the total comprehensive income.

The notes on pages 60 to 79 form part of these financial statements.

Statement of Changes in Equity

of the Company for the year ended 30 April 2024

For the year ended 30 April 2024	Notes	Share capital £000	Capital redemption reserve £000	Share premium account £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 30 April 2023		145	79	672	51,039	8,697	122	60,754
Total comprehensive income:								
(Loss)/return on ordinary activities after taxation		—	—	—	—	(7,950)	74	(7,876)
Transactions with shareholders recorded directly to equity								
Redemption of Ordinary Shares		—	—	—	(9,439)	—	—	(9,439)
Cancellation of shares	4	(18)	18	—	—	—	—	—
Equity dividends paid	10	—	—	—	(20)	—	(122)	(142)
As at 30 April 2024		127	97	672	41,580	747	74	43,297

For the year ended 30 April 2023	Notes	Share capital £000	Capital redemption reserve £000	Share premium account £000	Special reserve £000	Capital reserve £000	Revenue reserve £000	Total £000
As at 30 April 2022		160	64	672	61,546	36,801	232	99,475
Total comprehensive income:								
(Loss)/return on ordinary activities after taxation		—	—	—	—	(28,104)	32	(28,072)
Transactions with shareholders recorded directly to equity								
Redemption of Ordinary Shares		—	—	—	(10,507)	—	—	(10,507)
Cancellation of shares	4	(15)	15	—	—	—	—	—
Equity dividends paid	10	—	—	—	—	—	(142)	(142)
As at 30 April 2023		145	79	672	51,039	8,697	122	60,754

The notes on pages 60 to 79 form part of these financial statements.

Balance Sheet

of the Company as at 30 April 2024

	Notes	30 April 2024 £000	30 April 2023 £000
Non-current assets:			
Investments held at fair value through profit or loss	12	41,292	56,068
Current assets:			
Derivative instruments	13	2	169
Trade and other receivables	14	77	217
Cash at bank and cash equivalents		2,099	4,590
		2,178	4,976
Liabilities:			
Trade and other payables	15	173	290
Net current assets		2,005	4,686
Net assets		43,297	60,754
Capital and reserves			
Share capital	4	127	145
Capital redemption reserve		97	79
Share premium account		672	672
Special reserve		41,580	51,039
Capital reserve		747	8,697
Revenue reserve		74	122
Shareholders' funds		43,297	60,754
		pence	pence
Net asset value per Ordinary Share – basic and diluted	5	56.29	64.20

These financial statements were approved and authorised for issue by the Board of Miton UK MicroCap Trust plc on 11 July 2024 and were signed on its behalf by:

Ashe Windham
Chairman
11 July 2024

Company No: 09511015

The notes on pages 60 to 79 form part of these financial statements.

Statement of Cash Flows

of the Company for the year ended 30 April 2024

	30 April 2024 £000	30 April 2023 £000
Operating activities:		
Net loss before taxation	(7,864)	(28,054)
Loss on investments and derivatives held at fair value through profit or loss	7,623	27,617
Decrease in trade and other receivables	23	39
Increase/(decrease) in trade and other payables	11	(13)
Amortisation of finance costs	21	33
Withholding tax paid	(12)	(18)
Net cash outflow from operating activities	(198)	(396)
Investing activities:		
Purchase of investments	(16,464)	(15,404)
Purchase of derivative investments	(195)	(911)
Sale of investments	23,957	27,498
Sale of derivative instruments	11	691
Net cash inflow from investing activities	7,309	11,874
Financing activities:		
Redemption/repurchase of Ordinary Shares	(9,439)	(10,507)
Equity dividends paid	(142)	(142)
Finance costs paid	(21)	(33)
Net cash outflow from financing activities	(9,602)	(10,682)
(Decrease)/increase in cash and cash equivalents	(2,491)	796
Reconciliation of net cash flow movement in funds:		
Cash and cash equivalents at the start of the year	4,590	3,794
Net cash (outflow)/inflow from cash and cash equivalents	(2,491)	796
Cash at the end of the year	2,099	4,590
Cash and cash equivalents		
Comprise the following:		
Cash at bank	2,099	4,590
	2,099	4,590

The notes on pages 60 to 79 form part of these financial statements.

Notes to the Financial Statements continued

1. Accounting Policies

Miton UK MicroCap Trust plc is a company incorporated and registered in England and Wales. The principal activity of the Company is that of an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

The financial statements of the Company have been prepared in accordance with UK International Accounting Standards. The financial statements have also been prepared in accordance with the AIC SORP for the financial statements of investment trust companies and venture capital trusts.

Basis of Preparation

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 capital nature has been prepared alongside the Income Statement.

The financial statements are presented in Sterling, which is the Company's functional currency as the UK is the primary environment in which it operates, rounded to the nearest £1,000, except where otherwise indicated.

Going Concern

The financial statements have been prepared on a going concern basis and on the basis that approval as an investment trust company will continue to be met. The Directors have made an assessment of the Company's ability to continue as a going concern based on detailed profit & loss and cash flow forecasts. These forecasts have been 'stressed' for inflation, as well as a severe but plausible and sudden downturn in market conditions under which it is assumed that the investment portfolio will lose 50% of its value. Even under this extreme 'stress' scenario, the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved. The Directors also regularly assess the resilience of key third-party service providers, most notably the Investment Manager and Fund Administrator. The Directors do not have any concerns about the financial viability of the Company's third-party service providers.
In making their assessment, the Directors have considered the likely impacts of international and economic uncertainties on the Company, operations and the investment portfolio. These include, but are not limited to, another global event similar to the COVID-19 pandemic, the war in Ukraine, political and economic instability in the UK, supply shortages and inflationary pressures. The Directors noted that the Company, with the current cash balance and holding a portfolio of liquid listed investments, is able to meet the obligations of the Company as they fall due.

The Investment Manager assesses the exposure to risk when making each investment decision and the performance of the portfolio on a daily basis.

The current cash balance enables the Company to meet any funding requirements and finance future additional investments. The Company is a closed-ended fund, where assets are not required to be liquidated to meet day-to-day redemptions. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on a going concern basis.

Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business. The Company primarily invests in companies listed in the UK.

Notes to the Financial Statements continued

Accounting Developments

In the year under review, the Company has applied amendments to IFRS issued by the IASB adopted in conformity with UK IFRS. These include annual improvements to IFRS, changes in standards, legislative and regulatory amendments, changes in disclosure and presentation requirements. This incorporated:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Initial application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction –Amendments to IAS 12 Income Taxes; and
- Classification of liabilities as current or non-current (Amendments to IAS 1)

The adoption of the changes to accounting standards has had no material impact on these or prior years' financial statements. There are amendments to IAS/IFRS that will apply from 1 May 2024 as follows:

- Non-current liabilities with Covenants (Amendments to IAS 1).
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Amendments to IAS/IFRS applicable from 1 May 2025 are:

- Presentation and Disclosures in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability: Disclosures (IFRS 19)

The Directors do not anticipate the adoption of these will have a material impact on the financial statements in current or future years.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with UK International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts in the Balance Sheet, the Income Statement and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The areas requiring judgement and estimation in the preparation of the financial statements are: recognising and classifying unusual or special dividends received as either revenue or capital in nature; the valuation of warrants; and allocation of expenses between capital and income and setting of the level of dividends paid and proposed.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

Investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of investments is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors.

Notes to the Financial Statements continued

Upon initial recognition the Company designates the investments 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition which are written off in the Income Statement, and allocated to 'capital' at the time of acquisition). When a purchase or sale is made under a contract, the terms of which require delivery within the time-frame of the relevant market, the investments concerned are recognised or derecognised on the trade date. Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed and quoted investments this is deemed to be bid market prices or closing prices for Stock Exchange Electronic Trading Service – quotes and crosses ("SETSqx"). Changes in fair value of investments are recognised in the income Statement as a capital item. On disposal, realised gains and losses are also recognised in the income Statement as capital items.

Warrants give the Company the right, but not the obligation, to buy common ordinary shares in an investee company at a fixed price for a predefined time period. The fair value is determined by the Manager through use of models including Black Scholes and discounted cashflows, using available observable inputs of the warrant: the exercise share price of the investee company, the expiration period plus other factors including the prevailing interest rate and associated risks.

All investments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy in note 12.

Foreign Currency

Transactions denominated in foreign currencies are converted to Sterling at the actual exchange rate as at the date of the transaction. Monetary assets and liabilities and assets carried at fair value denominated in foreign currencies at the year end are reported at the rate of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is of a capital or revenue nature.

Derivatives

Derivatives, including Index Put Options, which are listed investments, are classified as financial instruments at fair value through profit or loss. Derivatives are initially recorded at cost (being premium paid to purchase the option) and subsequently valued at fair value and included in current assets/liabilities. Derivatives are derecognised when the contract expires or on the trade date when the contract is sold.

Changes in the fair value of derivative instruments are recognised as they arise in the capital column of the Income Statement. The fair value is calculated by a broker using models with inputs from market prices. On disposal or expiration, realised gains and losses are also recognised in the income statement as capital items.

Cash and Cash Equivalents

For the purposes of the Balance Sheet, cash comprises cash in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Notes to the Financial Statements continued

Trade and Other Receivables

Trade and other receivables are measured, where applicable, at amortised cost and as reduced by appropriate allowance for expected irrecoverable amounts.

Trade Payables and Short-term Borrowings

Trade payables and short-term borrowings are measured at amortised costs.

Income

Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time-apportioned basis.

Dividends from overseas companies are shown gross of any non-recoverable withholding taxes, which are presented separately in the Income Statement.

Special dividends are taken to revenue or capital account depending on their nature.

When the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend forgone is recognised as income. Any excess in the value of the cash dividend is recognised in the capital column.

All other income is allocated on a time-apportioned accruals basis.

Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis. On the basis of the Board's expected long-term split of total returns the Company charges 75% (2023: 75%) of its management fee and 100% (2023: 100%) of finance costs to capital.

Expenses incurred directly in relation to arranging debt finance are amortised over the term of the finance. Finance charges incurred and amortised are charged to capital (2023: 100%) and included in the capital column of the Income Statement. Expenses incurred directly in relation to issuance of shares are charged to share premium.

Expenses incurred in the maintenance of capital, redemption and cancellation of shares are charged to the special reserve through the Statement of Changes in Equity.

Taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date based on tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of temporary differences can be deducted. In line with the recommendations of the AIC SORP, the allocation method used to calculate the tax relief on expenses charged to capital is the "marginal" basis. Under this basis, if taxable income is capable of being offset entirely by expenses charged through the revenue account, then no tax relief is transferred to the capital account.

The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes. The actual charge for taxation in the Income Statement relates to irrecoverable withholding tax on overseas dividends received during the year.

Notes to the Financial Statements continued

Dividends Payable to Shareholders

Dividends to shareholders are recognised as a liability in the period in which they are paid or approved in general meetings and are taken to the Statement of Changes in Equity. Dividends declared and approved by the Company after the Balance Sheet date have not been recognised as a liability of the Company at the Balance Sheet date.

Share Capital

The Company is a closed-ended investment company with an unlimited life. As defined in the Articles of Association, redemption of Ordinary Shares is at the sole discretion of the Directors, therefore the Ordinary Shares have been classified as equity.

The issuance, acquisition and resale of Ordinary Shares are accounted for as equity transactions and no gain or loss is recognised in the Income Statement. This is a reserve forming part of the non-distributable reserves.

Share Premium

The share premium account represents the accumulated premium paid for shares issued in previous periods above their nominal value less issue expenses. This is a reserve forming part of the non-distributable reserves. The following items are taken to this reserve:

- Costs associated with the issue of shares; and
- Premium on the issue of shares.

Special reserve

The special reserve was created by the cancellation of the share premium account and is distributable. This reserve may be used for:

- Redemption of shares by way of the annual redemption facility;
- Costs relating to the capital structure of the Company;
- Cancellation of shares; and
- Share buy backs and dividends.

Capital Reserve

The following are taken to the capital reserve through the capital column in the statement of comprehensive income:

- Gains and losses on the disposal of investments and derivatives;
- Increase and decrease in the valuation of investments held at the year end;
- Exchange differences of a capital nature; and
- Expenses, together with the related taxation effect, allocated to this reserve in accordance with the above accounting policies.

Capital Redemption Reserve

The capital redemption reserve represents non-distributable reserves that arise from the purchase and cancellation of shares.

Revenue Reserve

The revenue reserve represents the surplus of accumulated profits and is distributable by the way of dividends.

Notes to the Financial Statements continued

2. Income

	Year ended 30 April 2024 £000	Year ended 30 April 2023 £000
Income from investments:		
UK Dividends	412	490
Non-UK dividend income	199	281
UK REIT dividends	29	33
	640	804
Other income:		
Bank deposit interest	214	66
Exchange gains	—	2
Other income	1	3
Total	855	875

3. Return per Ordinary Share

Returns per Ordinary Share are based on the weighted average number of shares in issue during the year. Basic and diluted return per share are the same as there are no dilutive elements on share capital.

	Year ended 30 April 2024			Year ended 30 April 2023		
Net profit (£000)	Revenue	Capital	Total	Revenue	Capital	Total
Continuation shareholders (£000)	69	(2,993)	(2,924)	54	(27,365)	(27,311)
Redemption shareholders (£000)	5	(4,957)	(4,952)	(22)	(739)	(761)
	74	(7,950)	(7,876)	32	(28,104)	(28,072)
Weighted average number of shares in issue			85,902,417			97,041,026
Return per share (pence)	0.09	(9.26)	(9.17)	0.03	(28.96)	(28.93)

During the prior year the allocation of the return per Ordinary Share is allocated as follows:

	Return per Ordinary Share			
	pence	pence	pence	Weighted average
Continuation shareholders	0.08	(3.48)	(3.40)	85,902,417
Redemption shareholders	0.01	(5.77)	(5.76)	17,714,958

The 50,000 Management shares do not participate in the returns of the Company.

Notes to the Financial Statements continued

4. Share Capital

	Year ended 30 April 2024		Year ended 30 April 2023	
	Number	£000	£000	£000
Ordinary Shares of £0.001 each				
Opening balance	94,638,561	95	109,253,560	110
Redemptions	(17,714,958)	(18)	(14,614,999)	(15)
	76,923,603	77	94,638,561	95

	Year ended 30 April 2024		Year ended 30 April 2023	
	Number	£000	Number	£000
Management shares of £1 each	50,000	50	50,000	50

The rights attached to each share class are set out on page 81 of this report.

Shares Issued

There were no shares issued during the year (2023: no shares were issued during the year).

Redemption of Ordinary Shares

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. As set out in the Articles of Association, the Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part. It is anticipated that the next redemption point for shareholders will be in November 2024. The Board retains the discretion to further amend this timetable. Accordingly, the Ordinary Shares have been classified as equity.

2023 Redemption

The total number of Ordinary Shares in respect of which valid redemption requests were received for the 2 November 2023 Redemption Point was 17,714,958 Ordinary Shares (representing 18.7185% of the issued share capital (the "Redemption")). The Board resolved to effect the Redemption using the redemption pool method set out in the Company's Articles, pursuant to which the Company notionally divided its assets and liabilities into two pools, the Redemption Pool and the Continuing Pool, with the returns attributable to the respective Redemption and Continuing shareholders. The 17,714,958 Ordinary Shares over which valid redemption requests were made have been cancelled with effect from 2 November 2023; former holders of the Redemption Shares are now creditors of the Company.

The assets of the Redemption Pool have been realised. The Redemption Price per Ordinary Share equals the aggregate cash received by the Company upon the realisation of the Redemption Pool, after deducting the costs of the redemption, and a pro-rata share of the costs and expenses of the Company not attributable to a particular pool, divided by the number of Redemption Shares. On that basis, the Redemption Price for the 2 November 2023 Redemption Point is 53.28 pence per redeemed Ordinary Share with a total payment of £9,439,000. The capital losses and expenses associated with the operation of the Redemption Pool (the "redemption loss") are a component of the Return of the Company as stated in the Income Statement. The Redemption shareholders received the value of the Redemption Pool upon liquidation. The redemption loss to Redemption shareholders from the performance of the Redemption Pool amounted to £4,952,000.

Notes to the Financial Statements continued

Management Shares

50,000 Management shares with a nominal value of £1 each were allotted to Miton Trust Managers Limited on the date of incorporation. These shares have been fully paid up. The Management shares are non-voting and non-redeemable and, upon a winding-up or on a return of capital of the Company, shall only receive the fixed amount of capital paid up on such shares and shall confer no right to any surplus capital or assets of the Company.

5. Net Asset Values

The NAVs per Ordinary Share and the net assets attributable at the year end were as follows:

	Year ended 30 April 2024		Year ended 30 April 2023	
	NAV per share pence	Net assets attributable £000	NAV per share pence	Net assets attributable £000
Basic and diluted	56.29	43,297	64.20	60,754

NAV per Ordinary Share is based on net assets at the year end and 76,923,603 Ordinary Shares (2023: 94,638,561), being the number of Ordinary Shares in issue at the year end.

NAV of £1.00 per Management share is based on net assets at the year end of £50,000 (2023: £50,000) and attributable to 50,000 Management shares at the year end. The shareholders have no right to any surplus capital or assets of the Company.

6. Management Fee

The basic management fee payable to the AIFM is calculated at the rate of one-twelfth of 0.9% (2023: 0.9%) of the average market capitalisation of the Company up to £100m, 0.8% per annum on the average market capitalisation above £100m (2023: 0.8%), on the last business day of each calendar month. The basic management fee accrues daily and is payable in arrears in respect of each calendar month. For the purpose of calculating the basic fee, the 'adjusted market capitalisation' of the Company is defined as the average daily midmarket price for an Ordinary Share and C share (when in issue), multiplied by the number of relevant shares in issue, excluding those held by the Company in treasury, on the last business day of the relevant month.

In addition to the basic management fee, and when the Redemption Pool is in existence, the AIFM is entitled to receive from the Company a fee calculated at the rate of 0.9% (1% prior to 1 September 2020) of the net asset value of the Redemption Pool on the last Business Day of the relevant calendar month.

The AIFM has agreed that, for so long as it remains the Company's Investment Manager, it will not charge such part of any management fee payable to it so that the Company can maintain an ongoing charges ratio of 2% or lower. The ongoing charges ratio for the year is 1.99% (2023: 1.72%) for the Ordinary Shares, and as such is below 2%. In accordance with the Directors' policy on the allocation of expenses between income and capital, in each financial year 75% of the management fee payable is expected to be charged to capital and the remaining 25% to income.

Notes to the Financial Statements continued

6. Management Fee continued

	Year ended 30 April 2024			Year ended 30 April 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Basic and diluted	97	295	392	149	448	597

At 30 April 2024, an amount of £63,000 (2023: £41,000) was outstanding and due to Premier Portfolio Managers Limited in respect of management fees.

7. Other Expenses

	Year ended 30 April 2024 £000	Year ended 30 April 2023 £000
Directors' fees	126	127
Audit remuneration	59	56
Secretarial services	83	69
Administrator services	141	136
Registrar's fees	18	17
Custodian fees	13	19
Depository fees	13	18
Advisory and professional fees	104	115
Printing and postage	6	10
Research fee[1]	12	11
Directors' insurance	9	15
Other expenses	13	14
Irrecoverable VAT	58	56
Miscellaneous	17	13
Total	672	676

[1] *Contribution to Investment Manager's research budget*

During the years ended 30 April 2024 and 30 April 2023, the Auditor's remuneration related to audit services only.

8. Finance Costs

	Year ended 30 April 2024			Year ended 30 April 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Revolving credit facility						
£5m revolving loan facility arrangement fee	—	5	5	—	6	6
£5m revolving loan facility non-utilisation fee	—	16	16	—	33	33
	—	21	21	—	39	39

Notes to the Financial Statements continued

Revolving credit facility

The Company entered into a revolving credit facility (the “facility”) on 25 February 2021 for £5m arranged by NatWest Markets Plc (previously known as The Royal Bank of Scotland plc), and the lender The Royal Bank of Scotland International Limited, London branch.

The Company cancelled the facility on 23 October 2023 without penalty. No amounts had been drawn on the facility. A commitment fee of 0.65% on undrawn balances was chargeable.

9. Taxation

a) Analysis of tax charge in the year:

	Year to 30 April 2024			Year to 30 April 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
UK corporation tax	—	—	—	—	—	—
Overseas tax not recoverable*	12	—	12	18	—	18
	12	—	12	18	—	18

* Tax deducted on payment of overseas dividends by local tax authorities.

b) The tax assessed for the year is the standard rate of corporation tax in the United Kingdom aggregated for the financial year of 25.0% (2023: 19.5%). The differences are explained below:

	Year to 30 April 2024			Year to 30 April 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net return before taxation	86	(7,950)	(7,864)	50	(28,104)	(28,054)
Theoretical tax at UK corporation tax rate of 25.0% (2023: 19.5%)	22	(1,988)	(1,966)	10	(5,480)	(5,470)
Effects of:						
UK dividends that are not taxable	(103)	—	(103)	(96)	–	(96)
Overseas dividends that are not taxable	(50)	—	(50)	(55)	–	(55)
Non-taxable investment losses	—	1,906	1,906	–	5,385	5,385
Overseas taxation suffered	12	—	12	18	–	18
Unrelieved excess expenses	131	82	213	141	95	236
Actual current tax charge	12	—	12	18	—	18

Notes to the Financial Statements continued

9. Taxation continued

Factors that may affect future tax charges

As at 30 April 2024, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £11,488,758 (2023: £10,648,712) that are available to offset future taxable revenue. A deferred tax asset of £2,872,190 (2023: £2,662,178), based on the effective tax rate of 25%, has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

10. Dividends

	30 April 2024		30 April 2023	
Amounts recognised as distributions to equity holders in the year.	£000	pence	£000	pence
In respect of the previous year:				
Final dividend	142	0.15	142	0.15
	142	0.15	142	0.15

The Directors have recommended a final dividend in respect of the year ended 30 April 2024 of 0.09p (2023: 0.15p) per Ordinary Share payable on 25 October 2024 to all shareholders on the register at close of business on 27 September 2024. The ex-dividend date will be 26 September 2024.

11. Investments

	30 April 2024 £000	30 April 2023 £000
Investment portfolio summary:		
Opening book cost	75,539	91,876
Opening unrealised (losses)/gains	(19,471)	2,946
Analysis of transactions made in the year		
Opening fair value	56,068	94,822
Movements in the year:		
Purchases at cost	16,336	15,532
Sales – proceeds	(23,840)	(27,521)
Movement in investment holding losses	(7,272)	(26,765)
Closing fair value	41,292	56,068
Closing book cost	60,283	75,539
Closing unrealised losses	(18,991)	(19,471)
Closing fair value	41,292	56,068
Transaction costs:		
Costs on acquisitions	15	10
Costs on disposals	22	30
	37	40

Notes to the Financial Statements continued

The Company received £23,840,000 (2023: £27,521,000) from investments sold in the year. The book cost of these investments when they were purchased was £31,592,000 (2023: £31,869,000). These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.

A list of the largest portfolio holdings by their fair value is shown on page 17.

12. Fair Value Hierarchy

Financial assets of the Company are carried in the Balance Sheet at their fair value or approximation of fair value. The fair value is the amount at which the asset could be sold in an ordinary transaction between market participants, at the measurement date, other than a forced or liquidation sale. The Company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

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 as follows:

Level 1 – valued using quoted prices, unadjusted in active markets for identical assets and liabilities

Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in level 1

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. Financial assets are transferred at the point in which a change of circumstances occur.

The table below sets out the fair value measurement of financial assets and liabilities in accordance with the fair value hierarchy.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 30 April 2024				
Equity investments	40,911	—	381	41,292
Derivative contracts	—	2	—	2
	40,911	2	381	41,294

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at fair value through profit or loss at 30 April 2023				
Equity investments	55,801	128	139	56,068
Derivative contracts	—	169	—	169
	55,801	297	139	56,237

Notes to the Financial Statements continued

12. Fair Value Hierarchy continued

The Level 2 investments are at values calculated using observable inputs. The fair value of warrants is determined by the Manager through use of models using available observable inputs of the warrant: the exercise share price of the investee company, the expiration period plus other factors including the prevailing interest rate and associated risks.

Fair value of level 3 movements – financial assets

	As at 30 April 2024 Level 3 £000	As at 30 April 2023 Level 3 £000
Opening fair value investments	139	479
Transfer from Level 1 to Level 3	90	58
Transfer from Level 2 to Level 3	—	86
Transfer from Level 3 to Level 1	(94)	(557)
Movement in unrealised	246	73
Closing fair value of Level 3 investments	381	139

Investments classified within Level 3 consist of equities, warrants and options. As observable prices are not available for these investments, the Manager has used valuation techniques to derive the fair value. The Level 3 valuations are reviewed on a regular basis by the Manager. The Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard. In selecting the most appropriate valuation model the Manager performs back testing and considers which model's results have historically aligned most closely to actual market transactions. The fair value of Level 3 investments is based on discounted anticipated future cash returns, taking account of available information, the consideration of liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

The transfers between Level 3 and Level 1 consist of equities that have been suspended and/or readmitted after suspension on the relevant stock exchange. Where the stock is readmitted, it is fair valued using quoted prices, unadjusted in an active market and transferred to Level 1. Where it is suspended, it is transferred to Level 3 with the appropriate valuation technique applied with consideration of the rationale for suspension and other relevant information.

Other Financial Assets and Liabilities

For all other financial assets and liabilities, the carrying value is an approximation of fair value, including: trade and other receivables; cash and cash equivalents and trade and other payables.

Notes to the Financial Statements continued

13. Derivative Contracts

Listed Put Options at fair value through profit or loss at 30 April 2024	As at 30 April 2024 £000	As at 30 April 2023 £000
Opening book cost	911	2,070
Opening option holding losses	(742)	(1,269)
Total options designated at fair value	169	801

Listed Put Options at fair value through profit or loss at 30 April 2024	30 April 2024 £000	30 April 2023 £000
Analysis of option movements		
Opening fair value	169	801
Movements in the period:		
Purchases at cost	195	911
Sales – proceeds	(11)	(691)
Movement in holding losses	(351)	(852)
Closing fair value	2	169
Closing book cost	158	911
Closing unrealised losses	(156)	(742)
Closing fair value	2	169

	Year ended 30 April 2024 £000	Year ended 30 April 2023 £000
Transaction costs:		
Costs on acquisitions	1	1
Costs on disposals	—	2
	1	3

Notes to the Financial Statements continued

13. Derivative Contracts continued

Derivative contracts serve as components of the Company's investment strategy and are utilised primarily to structure and hedge investments to enhance performance and reduce risk of the Company (the Company does not designate any derivative as hedging instrument for hedge accounting purposes). The derivative contracts that the Company may hold from time to time or issue include: index-linked notes, contracts for differences, covered options and other equity-related instruments.

The Company's investment objective set limits on investments in derivatives. The Investment Manager closely monitors the Company's exposure under derivative contracts and any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments. The Company will not enter into uncovered short positions.

14. Trade and Other Receivables

	30 April 2024 £000	30 April 2023 £000
Amount due from brokers	—	117
Dividends receivable	42	48
Prepayment and other debtors	30	50
Taxation recoverable	5	2
	77	217

15. Trade and Other Payables

	30 April 2024 £000	30 April 2023 £000
Amount due to brokers	—	128
Other creditors	173	162
	173	290

Notes to the Financial Statements continued

16. Capital Management Policies

The Company's capital management objectives are:

- To ensure that it will be able to continue as a going concern; and
- To maximise the income and capital return over the long term to its equity shareholders through an appropriate balance of equity capital and debt.

As stated in the investment policy, the Company has authority to borrow up to 15% of net asset value through a mixture of bank facilities and certain derivative instruments. There were no borrowings as at 30 April 2024 or throughout the year (2023: nil). Also, as a public company, the minimum share capital is £50,000.

The Company's capital at 30 April 2024 comprised:

	30 April 2024 £000	30 April 2023 £000
Current liabilities:		
Trade and other payables	173	290
Equity:		
Equity share capital	127	145
Retained earnings and other reserves	43,170	60,609
Total shareholders' funds	43,297	60,754
Debt as a % of net assets	0.00%	0.00%

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 of the market;
- the buy back of shares for cancellations or 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);
- new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital have remained unchanged since its launch.

Notes to the Financial Statements continued

17. Reserves

Ordinary Shares to 30 April 2024	Capital redemption reserve £000	Share premium account £000	Special reserve* £000	Capital reserve realised* £000	Capital reserve unrealised* £000	Revenue reserve* £000
Opening balance	79	672	51,039	28,907	(20,210)	122
Redemption of Ordinary Shares	—	—	(9,439)	—	—	—
Cancellation of shares	18	—	—	—	—	—
Net loss on realisation of investments and derivatives	—	—	—	(8,700)	—	—
Unrealised gain realised in the year	—	—	—	—	1,066	—
Management fee charged to capital	—	—	—	(295)	—	—
Finance costs charged to capital	—	—	—	(21)	—	—
Equity dividends paid	—	—	(20)	—	—	(122)
Revenue return on ordinary activities after tax	—	—	—	—	—	74
Closing balance	97	672	41,580	19,891	(19,144)	74

** At 30 April 2024, the distributable reserves of the Company comprised of £42,022,000 (2023: £59,858,000).*

Ordinary Shares to 30 April 2023	Capital redemption reserve £000	Share premium account £000	Special reserve* £000	Capital reserve realised* £000	Capital reserve unrealised* £000	Revenue reserve* £000
Opening balance	64	672	61,546	35,121	1,680	232
Redemption of Ordinary Shares	—	—	(10,507)	—	—	—
Cancellation of shares	15	—	—	—	—	—
Net loss on realisation of investments and derivatives	—	—	—	(5,727)	—	—
Unrealised losses realised in the year	—	—	—	—	(21,890)	—
Management fee charged to capital	—	—	—	(448)	—	—
Finance costs charged to capital	—	—	—	(39)	—	—
Equity dividends paid	—	—	—	—	—	(142)
Revenue return on ordinary activities after tax	—	—	—	—	—	32
Closing balance	79	672	51,039	28,907	(20,210)	122

Notes to the Financial Statements continued

18. Analysis of Financial Assets and Liabilities

Investment Objective and Policy

The Company's investment objective and policy are detailed on pages 81 and 82.

The Company's financial instruments can comprise:

- Shares and debt securities held in accordance with the Company's investment objective and policies;
- Derivative instruments for efficient portfolio management, gearing and investment purposes; and
- Cash, liquid resources and short-term debtors and creditors that arise from its operations.

The risks identified arising from the Company's financial instruments are market risk (which comprises market price risk, interest rate risk and foreign currency exposure risk), liquidity risk and credit and counterparty risk. The Company may enter into derivative contracts to manage risk. The Board reviews and agrees on policies for managing each of these risks, which are summarised below.

These policies have remained unchanged since the beginning of the accounting period.

Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions by way of price movements, interest rate movements and exchange rate movements. The Investment Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Investment Manager on a regular basis and the Board at quarterly meetings with the Investment Manager.

Market price risk

Market price risk (i.e. changes in market prices other than those arising from currency risk or interest rate risk) may affect the value of investments.

The Board manages the risks inherent in the investment portfolio by ensuring full and timely reporting of relevant information from the Investment Manager. Investment performance and exposure are reviewed at each Board meeting.

The Company's exposure to changes in market prices as at 30 April 2024 on its equity and listed Put index option investments held at fair value through profit or loss was £41,294,000 (30 April 2023: £56,237,000).

The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with the objective of maximising overall returns to Shareholders. If the fair value of the Company's investments at the year end increased or decreased by 10%, then it would have had an impact on the Company's capital return through (losses)/gains on investments held at fair value, impacting profit/(loss) and the NAV, by £4,129,000 (2023: £5,624,000).

18. Analysis of Financial Assets and Liabilities continued

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits. The Company's financial assets and liabilities, excluding short-term debtors and creditors, may include investment in fixed interest securities, such as UK corporate debt stock, whose fair value may be affected by movements in interest rates. The majority of the Company's financial assets and liabilities, however, are non-interest bearing. As a result, the Company's financial assets and liabilities are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. There was no exposure to interest bearing liabilities during the year ended 30 April 2024 (2023: nil).

The possible effects on the fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions.

The interest rate profile of the Company (excluding short-term debtors and creditors) was as follows:

	30 April 2024 Floating rate £000	30 April 2023 Floating rate £000
Assets and liabilities:		
Cash and cash equivalents	2,099	4,590
	2,099	4,590

If the above level of cash was maintained for a year, a 1% increase in interest rates would increase the revenue return and net assets by £21,000 (2023: £46,000). If there was a fall of 1% in interest rates, it would potentially impact the Company by reducing interest and turning positive interest to negative interest. The total effect would be a revenue reduction/cost increase and decrease in net assets of £21,000 (2023: £46,000).

Foreign currency risk

Although the Company's performance is measured in Sterling, a proportion of the Company's assets may be either denominated in other currencies or in investments with currency exposure. Any income denominated in a foreign currency is converted into Sterling upon receipt. At the Balance Sheet date, all the Company's assets were denominated in Sterling and accordingly the only currency exposure the Company has is through the trading activities of its investee companies.

Liquidity Risk

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 Investment Manager reviews daily forward-looking cash reports which project cash obligations. These reports allow it to manage its obligations. A maturity analysis is not presented as the Investment Manager does not consider this to be a material risk.

Notes to the Financial Statements continued

Credit and Counterparty Risk

Credit risk is the risk of financial loss to the Company if the contractual party to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk as at 30 April 2024 was £2,178,000 (2023: £4,976,000). The calculation is based on the Company's credit risk exposure as at 30 April 2024 and this may not be representative for the whole year.

The Company's quoted investments are held on its behalf by The Northern Trust ("NT"), acting as the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed. The Board monitors the Company's risk by reviewing the custodian's internal controls report.

Where the Investment Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default.

The Company's cash balances are held on its behalf by NT. The Board monitor the credit worthiness of NT, currently rated at AA- (Standard & Poors), Aa2 (Moody's and AA (Fitch Ratings) for Long Term Deposit/Debt. The exposure of cash held at Northern Trust as at 30 April 2024 was £2,099,000 (2023: £4,590,00). The cash balances will fluctuate throughout the year and the Board will monitor the exposure.

Investment transactions are carried out with a number of brokers whose creditworthiness is reviewed by the Investment Manager. Transactions are ordinarily undertaken on a delivery versus payment basis whereby the Company's custodian bank ensures that the counterparty to any transaction entered into by the Company has delivered on its obligations before any transfer of cash or securities away from the Company is completed.

Cash is only held at banks that have been identified by the Board as reputable and of high credit quality.

None of the Company's assets are past due or impaired.

19. Related Parties

Fees paid to the Company's Directors are disclosed in the Report on Directors Remuneration on page 45. At the year end, £nil was outstanding due to Directors (2023: £nil).

Details of the Management fee payable to Premier Portfolio Managers Limited pursuant to the Investment Management Agreement are set out in the Strategic Report on page 28. Amounts paid and payable are set out in Note 6.

20. Post Balance Sheet Events

There were no Post Balance Sheet Events.

Redemption of Ordinary Shares

The Company has a voluntary redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. For the year ended 30 April 2024 the Redemption Point for Ordinary Shares will be in accordance with the adjacent timetable.

Shareholders submitting valid requests for the redemption of Ordinary Shares will have their shares redeemed at the Redemption Price. The Directors may elect, at their absolute discretion, to calculate the Redemption Price applying on any redemption point by reference to the Dealing Value per Ordinary Share or by reference to a separate Redemption Pool*.

The Board may, at its absolute discretion, elect not to operate the annual redemption facility on any given Redemption Point, or to decline in whole or part any redemption request, although the Board does not generally expect to exercise this discretion, save in the interests of shareholders as a whole.

A redemption of Ordinary Shares may be subject to either income tax and/or capital gains tax. In particular, private shareholders that sell their shares via the redemption mechanism could find they are subject to income tax on the gains made on the redeemed shares rather than the more usual capital gains tax on the sale of their shares in the market. However, individual circumstances do vary, so shareholders who are in any doubt about the redemption or the action that should be taken should consult their stockbroker, accountant, tax adviser or other independent financial adviser.

The relevant dates for the November 2024 Redemption Point are:

1 October 2024	Latest date for receipt of redemption requests and certificates for certificated shares
3.00pm on 1 October 2024	Latest date and time for receipt of redemption requests and settled TFE (Transfer to Escrow) instructions for uncertificated shares via CREST
5.00pm on 5 November 2024	Redemption Point
By 5 November 2024	Company to notify Redemption Price and dispatch redemption monies; or If the redemption is funded by way of a Redemption Pool, the Company will notify the Redemption Price and dispatch of redemption monies as soon as practicable.

Full details of the redemption facility are set out in the Company's Articles of Association or are available from the Secretary.

** The pool of cash, assets and liabilities to be created by the Directors in respect of a particular redemption point and allocated to the Ordinary Shares which are the subject of redemption requests for that redemption point. The assets of the Redemption Pool will be liquidated and the Redemption Price per Ordinary Share will equal the aggregate cash received by the Company upon the realisation of the Redemption Pool, after deducting the costs of the redemption, which will be borne by the relevant pool, an adjustment for any attributable unsettled liabilities and a pro-rata share of the costs and expenses of the Company not attributable to a particular pool, divided by the number of Redemption Shares, as set out in the Articles.*

Shareholder Information

Miton UK MicroCap Trust plc was incorporated on 26 March 2015 and its Ordinary Shares were admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities on 30 April 2015.

Capital Structure

At the year end, the Company's share capital consisted of Ordinary Shares of £0.001 each ("Ordinary Shares") and non-voting management shares of £1 each ("Management shares"). From time to time, the Company may issue C shares of £0.01 each ("C shares").

The Company's shares have the following rights:

Voting: Ordinary Shares and C shares have equal voting rights. At shareholder meetings, members present in person or by proxy have one vote on a show of hands and on a poll have one vote for each share held.

Management shares are non-voting unless no other shares are in issue at that time.

Dividends: the assets of the Ordinary Shares and C shares are separate and each class is entitled to dividends declared on their respective asset pool. The management shares are entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative dividend equal to 0.01% per annum on the nominal value.

Capital: if there are any C shares in issue, the surplus capital and assets of the Company shall on a winding-up or on a return of capital, be applied amongst the existing Ordinary Shareholders and the Management shareholders pro rata according to the nominal capital paid up on their holdings, having first deducted therefrom an amount equivalent to the assets and liabilities relating to the C shares, which amount shall be applied amongst the C shareholders pro rata according to the nominal capital paid up on their holdings of C shares.

When there are no C shares in issue, any surplus shall be divided amongst the Ordinary Shareholders and Management shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares and Management shares.

In each instance, the holders of the Management shares shall only receive an amount up to the capital paid up on such Management shares and the Management shares shall not confer the right to participate in any surplus remaining following payment of such amount.

As at the date of this Report, there are 76,923,603 Ordinary Shares in issue, none of which are held in treasury, and 50,000 Management shares.

The Company has a redemption facility through which shareholders are entitled to request the redemption of all or part of their holding of Ordinary Shares on an annual basis. The Board may, at its absolute discretion, elect not to operate the annual redemption facility in whole or in part, although it has indicated that it is minded to approve all requests.

Details of the redemption facility are set out on page 80.

Investment Objective

The investment objective of the Company is to provide shareholders with capital growth over the long-term.

Investment Policy

The Company invests primarily in the smallest companies, measured by their market capitalisation, quoted or traded on an exchange in the United Kingdom at the time of investment. It is likely that the majority of the microcap companies held in the Company's portfolio will be quoted on AIM and will typically have a market capitalisation of less than £150 million at the time of investment. The Company may also invest in debt, warrants or convertible instruments issued by such companies and may invest in, or underwrite, future equity issues by such companies.

Shareholder Information continued

The Company may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity related derivative instruments for efficient portfolio management, gearing and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company will not enter into uncovered short positions.

If companies in the portfolio achieve organic growth or grow through corporate activity such as acquisitions, and consequently have a market capitalisation that would place them outside the investable universe, the Investment Manager will not be obliged to sell those holdings, but the proportion of the portfolio in such companies will be carefully monitored by the Investment Manager and the Board so that the overall investment policy to invest in the smallest quoted or traded companies is not materially altered.

The Company's portfolio is expected to be diversified by industry and market of activity. No single holding will represent more than 15% of Gross Assets at the time of investment and, when fully invested, the portfolio is expected to have over 120 holding although there is no guarantee that will be the case and it may contain a lesser number of holdings at any time.

The Company will have the flexibility to invest up to 10% of its Gross Assets at the time of investment in unquoted or untraded companies, or in any one unquoted or untraded company.

The Company will invest no more than 10% of Gross Assets at the time of investment in other investment funds.

Borrowing

The Company may deploy borrowing to enhance long-term capital growth. Gearing will be deployed flexibly up to 15% of the Net Asset Value, at the time of borrowing. In the event this limit is breached as a result of market movements, and the Board considers that borrowing should be reduced, the Investment Manager shall be permitted to realise investments in an orderly manner so as not to prejudice shareholders.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

Share Dealing

Shares can be traded through a stockbroker or share trading platform.

Share Prices

The Company's shares are listed on the London Stock Exchange.

Share Register Enquiries

The register for the Ordinary Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Email Link at enquiries@linkgroup.co.uk. Changes of name and/or address must be notified in writing to the Registrar: Link Group, The Registry, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Current Share Capital and Net Asset Value Information

Ordinary £0.001 shares: 76,923,603

SEDOL Number: BWFGQ08

ISIN Number: GB00BWFGQ085

The Company releases its net asset value per share to the London Stock Exchange daily.

Annual and Half-Yearly Reports

Copies of the Annual and Half-Yearly Reports are available from the Secretary on telephone number 0207 982 1073 and are available on the Company's website:

www.mitonukmicrocaptrust.com

Investment Manager: Premier Portfolio Managers Limited

The Company's Investment Manager is Premier Portfolio Managers Limited, a wholly-owned subsidiary of Premier Miton Group plc ("Premier Miton"). Premier Miton is quoted on the AIM market for smaller and growing companies.

As at 31 March 2024, Premier Miton had total funds under management of approximately £10.7 billion.

Members of the fund management team invest in their own funds and are significant shareholders in Premier Miton. Investor updates in the form of monthly factsheets are available from the Investment Manager's website:

www.premiermiton.com

Association of Investment Companies

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

Financial Calendar

30 April 2024	Year end
July 2024	Announcement of 2024 annual results
24 September 2024	Annual General Meeting
31 October 2024	Half-year end
5 November 2024	Redemption Point
December 2024	Announcement of 2024 half-yearly results
30 April 2025	Year end

Retail Investors advised by IFAs

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Alternative Investment Fund Managers' Directive Disclosures

Alternative Investment Fund Managers' Directive Disclosures

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect on 22 July 2014. That legislation requires the AIFM to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

Pre-Investment Disclosures

The AIFM is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment can be found at:

www.mitonukmicrocaptrust.com/documents.

AIFMD Leverage Limits

The maximum level of leverage which the Investment Manager may employ on behalf of the Company and the levels as at 30 April 2024 are set out below. A figure of 100% means that the exposure is equal to the net asset value and the AIF has no leverage.

Leverage exposure	Maximum gross leverage	Maximum commitment
Maximum level	200%	200%
Actual level	100%	100%

Remuneration Disclosure

Premier Portfolio Managers Limited (the 'AIFM') is part of a larger group of companies within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive Directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The policies are designed to reward long-term performance and long term profitability.

Within the group, all staff are employed by the parent company with none employed directly by the AIFM. The costs of a number of individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals who are fully or partly involved in the activities of the AIFM in relation to Alternative Investment Funds, including the Company ("AIFs"), including those whose time is allocated between group entities, for the financial year ending 30 September 2023, is analysed below:

Fixed Remuneration	£5,021,933
Variable Remuneration	£2,298,473
Total	£7,320,406
Weighted FTE Headcount	53

The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:	
Significant Influence Functions	£2,588,863
Senior Management Functions	£223,783
Other staff	£4,507,759
Total	£7,320,405

The staff members included in the above analysis support all the funds managed by the AIFM. It is not considered feasible or useful to attempt to apportion these figures to individual AIFs.

The AIFM's management has reviewed the general principles of the remuneration policy and its application in the last year which has resulted in no material changes to the policy.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninth ANNUAL GENERAL MEETING of Miton UK MicroCap Trust plc (the "Company") will be held on 24 September 2024 at 11.30am at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH to consider and vote on the Resolutions below.

Resolutions 1 to 10 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 11 to 13 (inclusive) will be proposed as Special Resolutions.

Ordinary Resolutions

1. To receive and adopt the Strategic Report, Reports of the Directors and Auditor and the audited financial statements for the year ended 30 April 2024.
2. To receive and approve the Directors' Remuneration Report for the year ended 30 April 2024.
3. To re-elect Louise Bonham as a Director of the Company.
4. To re-elect Peter Dicks as a Director of the Company.
5. To re-elect Davina Walter as a Director of the Company.
6. To re-elect Ashe Windham as a Director of the Company.
7. To re-appoint BDO LLP as Auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which financial statements are laid before the Company.
8. To authorise the Audit Committee to determine the remuneration of the Auditor of the Company.
9. To declare a final dividend of 0.09p pence per Ordinary Share for the year ended 30 April 2024.
10. THAT: The Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot Ordinary Shares in the capital of the Company up to an aggregate nominal value of £7,692 (being approximately 10% of the issued Ordinary Share capital of the Company at the date of this Notice), such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) (the "Section 551 period"), but so that the Company may, at any time prior to the expiry of the Section 551 period, make offers or agreements which would or might require the allotment of shares in pursuance of such offers or agreements as if the authority had not expired.

Notice of Annual General Meeting continued

Special Resolutions

11. THAT: Subject to the passing of Resolution 10, the Directors be and they are hereby empowered, in accordance with Sections 570 and 573 of the Act, to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in Resolution 10 as if Section 561(1) of the Act did not apply to any such allotment or sale, such power to expire at the conclusion of the Annual General Meeting of the Company to be held in 2025 (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired.

12. THAT: The Company is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of £0.001 each in the capital of the Company ("Ordinary Shares") provided that:

    (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 11,530,848 (representing 14.99% of the Ordinary Shares in issue at the date of this Notice);

    (ii) the minimum price which may be paid for each Ordinary Share is £0.001;

    (iii) the maximum price which may be paid for each Ordinary Share shall not be more than the higher of: (i) an amount equal to 105% of the average of the middle market quotations of Ordinary Shares taken from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the contract of purchase is made; and (ii) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current independent bid for the Ordinary Shares on the London Stock Exchange;

    (iv) this authority will (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the Annual General Meeting of the Company to be held in 2025;

    (v) the Company may make a contract of purchase for Ordinary Shares under this authority before this authority expires which will or may be executed wholly or partly after its expiration; and

    (vi) any Ordinary Shares bought back under the authority hereby granted may, at the discretion of the Directors, be cancelled or held in treasury and if held in treasury may be resold from treasury or cancelled at the discretion of the Directors.

13. THAT: A general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Northern Trust Secretarial Services (UK) Limited
Registered Office: 50 Bank Street, London E14 5NT

11 July 2024

Administrative Notes in Connection with the Annual General Meeting

1. **Attending the Annual General Meeting in person**
   If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Link Group (the "Registrar"), prior to being admitted to the Annual General Meeting.

2. **Appointment of proxies**
   Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes. If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the Chairman of the Annual General Meeting) and give their instructions directly to them.

   Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should log on to https://investorcentre.linkgroup.co.uk/Login/Login or contact the Registrar by email at shareholderenquiries@linkgroup.co.uk or by telephone on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

   A member may instruct their proxy to abstain from voting on any resolution to be considered at the Annual General Meeting by marking the 'Vote Withheld' option when appointing their proxy. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' the resolution.

   The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if they wish. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every share of which he/she is the holder.

   A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

Notice of Annual General Meeting continued

Administrative Notes in Connection with the Annual General Meeting continued

3. **Appointment of a proxy online**
   Members can appoint a proxy online via the Link Investor Centre app or at: https://investorcentre.linkgroup.co.uk/Login/Login. In order to appoint a proxy using this website, members will need their Investor Code, which they can find on their share certificate. If you need help with voting online, please contact our Registrar, Link Group, on 0371 664 0300, or email Link at shareholderenquiries@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Members must appoint a proxy using the website no later than 48 hours before the time of the Annual General Meeting or any adjournment of that meeting.

   Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the Company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Link Investor Centre via a web browser at: https://investorcentre.linkgroup.co.uk/Login/Login.

   Download on the App Store   GET IT ON Google Play

4. **Appointment of proxy using Proxymity**
   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 11:30am on 20 September 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. 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. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

5. **Appointment of a proxy using a Form of Proxy**
   You may request a hard copy form of proxy directly from the Registrar by emailing at shareholderenquiries@linkgroup.co.uk or by telephone on 0371 664 0300. To be valid, a Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 48 hours before the time of the Annual General Meeting or any adjournment of that meeting.

Administrative Notes in Connection with the Annual General Meeting continued

6. **Appointment of a proxy through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar Link Group (ID RA10) no later than 48 hours before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

7. **Appointment of proxy by joint holders**

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

Notice of Annual General Meeting continued

Administrative Notes in Connection with the Annual General Meeting continued

8. **Corporate representatives**
   Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

9. **Entitlement to attend and vote**
   To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at close of business on 20 September 2024 (or, if the Annual General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

10. **Nominated persons**
    Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

11. **Website giving information regarding the Annual General Meeting**
    Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this Notice of Annual General Meeting is available from the Company's website at www.mitonukmicrocaptrust.com/

12. **Audit concerns**
    Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with the auditors of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act.

    The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Administrative Notes in Connection with the Annual General Meeting continued

13. Voting rights

As at 10 July 2024 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 76,923,603 Ordinary Shares, carrying one vote each, and 50,000 management shares of £1 each. The total number of voting rights in the Company is 76,923,603.

14. Notification of shareholdings

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the Annual General Meeting as their proxy will need to ensure that both they, and their proxy, comply with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.

15. Members' right to require circulation of resolution

To be proposed at the Annual General Meeting Members meeting the threshold requirements set out in the Act have the right to: (a) require the Company to give notice of any resolution which can properly be, and is to be, moved at the Annual General Meeting pursuant to section 338 of the Act; and/or (b) include a matter in the business to be dealt with at the Annual General Meeting, pursuant to section 338A of the Act.

16. Further questions and communication

Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members may not use any electronic address or fax number provided in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated.

17. Documents available for inspection

Copies of the Letters of Appointment of the Non-Executive Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this Notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the location of the meeting from 11.15am until the conclusion of the Annual General Meeting.

Glossary

Alternative Investment Market ("AIM")

MINI's shares are traded on the London Stock Exchange, although most the stocks held in the Company's portfolio are quoted on the AIM exchange. AIM is owned by the London Stock Exchange and was principally set up to meet the funding needs of smaller, growing companies.

Alternative Performance Measure ("APM")

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework.

Annual General Meeting ("AGM")

All public companies have an AGM every year, and this is the opportunity for the shareholders to confirm their approval of the annual accounts, the annual dividend and the appointment of the Directors and Auditors. It is also a good time for shareholders to meet the non-executive Directors. The Company's AGM is on 24 September 2024. The Notice of Meeting can be found on pages 85 to 91.

Deutsche Numis Indices

Deutsche Numis provides a range of indices covering the entire UK equity market.

The Deutsche Numis Smaller Companies Index or DNSCI targets the bottom 10% of the main UK market by value.

The Deutsche Numis Smaller Companies 1000 Index targets the bottom 2% of the main UK market (XIC) by value.

The Deutsche Numis Large Cap Index targets the top 80% of the UK main list by value.

The Deutsche Numis Alternative Markets Index covers all companies listed on qualifying alternative markets.

The Deutsche Numis All Share Index contains all fully listed stocks plus all stocks listed on AIM.

Discount/Premium

If the share price of an investment trust is lower than the NAV or Adjusted NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the Adjusted NAV per share and is usually expressed as a percentage of the Adjusted NAV per share. If the share price is higher than the Adjusted NAV per share, this situation is called a premium.

Discount Calculation	Page	30 April 2024	30 April 2023	
Closing Adjusted NAV per share (pence)	ii	55.79	64.20	(a)
Closing share price (pence)	ii	50.50	59.50	(b)
Discount (c=((a-b)/a)*100)		(9.48%)	(7.32%)	(c)

Dividend Yield

The annual dividend expressed as a percentage of the mid-market share price.

Financial Conduct Authority ("FCA")

This regulator oversees the fund management industry, including the operation of the Company.

Financial Reporting Council ("FRC")

The FRC regulates UK auditors and provides guidance to accountants with the aim of promoting better transparency and integrity in the annual reports of quoted businesses.

FTSE 100 Put Option

A FTSE 100 Put Option is a type of derivative contract in which the underlying value is based on the level of the FTSE 100 index.

Gearing

Gearing refers the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately because the debt remains the same. If the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Growth Stock

A stock where the earnings are expected to grow at an above-average rate, leading to a faster than average growing share price. Growth stocks do not usually pay a significant dividend.

Key Performance Indicators ("KPIs")

KPIs are a short list of corporate attributes that are used to assess general progress of the business and are outlined in this Report on page 19.

Investment Association ("IA")

The IA is the trade body that represents UK investment managers. Premier Miton Group plc is a member.

Northern Trust Secretarial Services (UK) Limited ("NTSSL")

NTSSL is the Company Secretary for the Company.

Net Asset Value per Ordinary Share or Statutory NAV ("NAV") or Adjusted Net Asset Value per Ordinary Share ("Adjusted NAV")

The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all of the Company's assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The NAV per share is calculated by dividing the shareholders' funds by the number of Ordinary Shares in issue excluding treasury shares. The Adjusted NAV is the Statutory NAV presented in the financial statements adjusted to exclude the fair value of warrants held by the Trust. The fair value of warrants is calculated by Black Scholes. See Note 12 Fair Value Hierarchy Level 3 investments on page 72.

Ongoing Charges

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year.

Ongoing Charges Calculation	Page	30 April 2024	30 April 2023	
Management fee	67	392	597	
Other administrative expenses	68	672	676	
Less non recurring fees		(87)	(86)	
Total management fee and other administrative expenses (annualised)		977	1,187	(a)
Average net assets in the year		49,079	69,083	(b)
Ongoing charges (c=a/b)*100		1.99%	1.72%	(c)

Peer Group

The Company is part of the AIC's UK Smaller Companies sector whose members invest at least 80% of their assets in UK Smaller Companies.

As at 30 June 2024, the following were constituents of this peer group:

- Aberforth Smaller Companies Ord
- Aberforth Split Level Income Ord
- abrdn UK Smaller Companies Growth Ord
- Athelney Trust Ord
- BlackRock Smaller Companies Ord
- BlackRock Throgmorton Trust Ord
- Crystal Amber Ord
- Downing Strategic Micro-Cap Inv. Ord
- Henderson Smaller Companies Ord
- Invesco Perpetual UK Smaller Ord
- JPMorgan UK Small Cap Growth & Income
- Marwyn Value Investors Ord
- Miton UK Microcap Ord
- Montanaro UK Smaller Companies Ord
- Odyssean Investment Trust Ord
- Onward Opportunities Ord
- Oryx International Growth Ord
- Rights & Issues Investment Trust Ord
- River and Mercantile UK Micro Cap Ord
- Rockwood Strategic Ord
- Strategic Equity Capital Ord
- SVM UK Emerging Ord
- Worsley Investors Ord

Price to Book Ratio

The price to book ratio is a valuation measure which divides a company's share price by its asset value per share. Lower values can imply that a company is either an overlooked opportunity or a poorly performing business, Higher values may suggest a company is overvalued, unless its returns are sustainably high.

Glossary continued

Redemption Pool
In the event that the Board elects to calculate the Redemption Price through the use of a Redemption Pool, the pool of cash, assets and liabilities to be created by the Directors in respect of a particular Redemption Point and allocated to the Ordinary Shares which are the subject of Redemption Requests for that Redemption Point.

Senior Independent Director ("SID")
The SID is a non-executive director who can be contacted by investors to discuss a matter of governance when it concerns the Chairman and the normal practice cannot be followed. The Company's SID is Davina Walter.

Tap Issue
A tap issue is a procedure that allows the Company to issue new shares at the current market value when the share price is at a premium to NAV. The Company is authorised to issue up to 10% of its share capital without the need for an open offer. This enables the Company to invest in attractive investment opportunities and to issue new shares on a flexible and cost-effective basis.

Total Assets
Total assets include investments, cash, current assets and all other assets. An asset is an economic resource, being anything tangible or intangible that can be owned or controlled to produce value and to produce positive economic value. Assets represent the value of ownership that can be converted into cash. The total assets less all liabilities will be equivalent to total shareholders' funds.

Total Return – NAV and Share Price Returns
Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The Total Return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV or Adjusted NAV.

This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are re-invested in the Company at the prevailing NAV.

Adjusted NAV Total Return	Page	30 April 2024	30 April 2023	
Closing Adjusted NAV per share (pence)	ii	55.79	64.20	
Add back final dividend for the year ended 30 April 2023 (2022) (pence)	70	0.15	0.15	
Closing Adjusted NAV (pence)		55.94	64.35	(a)
Opening Adjusted NAV per share (pence)	ii	64.20	91.05	(b)
NAV total return (c = (a-b)/b) (%)		(12.9%)	(29.3%)	(c)

Share Price Total Return	Page	30 April 2024	30 April 2023	
Closing share price (pence)	ii	50.50	59.50	
Add back final dividend for the year ended 30 April 2023 (2022) (pence)	70	0.15	0.15	
Adjusted closing share price (pence)		50.65	59.65	(a)
Opening share price (pence)	ii	59.50	86.50	(b)
Share price total return unadjusted (c = (a-b)/b) (%)		(15.1%)	(31.0%)	(c)
Share price total return adjusted (%)		(14.9%)	(31.1%)*	

** Based on NAV/share price movements and dividends being reinvested at the relevant cum dividend NAV/share price during the period. Where the dividend is invested and the NAV/share price falls, this will further reduce the return or, if it rises, any increase will be greater. The source is Morningstar who have calculated the return on an industry comparative basis.*

Yield Stock
Yield stocks pay above-average dividends to shareholders. If the dividend grows, and the yield on the share remains constant, the share price will increase. Companies which grow their dividends faster than average are capable of delivering faster share price growth.

Contact Details of Advisers

Investment Manager
Premier Fund Managers Limited
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

Telephone: 01483 306 090

www.premiermiton.com

Authorised and regulated by the Financial Conduct Authority

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Authorised and regulated by the Financial Conduct Authority

Company website
www.mitonukmicrocaptrust.com

Secretary and Registered Office
Northern Trust Secretarial Services (UK) Limited
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Canary Wharf
London E14 5NT

Telephone: +44 (0) 207 982 2000

Depositary and Custodian
Northern Trust Investor Services Limited
50 Bank Street
Canary Wharf
London E14 5NT

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and PRA

Company Administrator*
Northern Trust Global Services SE
50 Bank Street
Canary Wharf
London E14 5NT

** Certain administrative functions have been delegated to Northern Trust Global Services SE by Premier Portfolio Managers Limited.*

Registrar and Transfer Office
Link Group
The Registry
Central Square
29 Wellington Street
Leeds LS1 4DL

Telephone: 0371 664 0300

(Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate)

Email: enquiries@linkgroup.co.uk

Website: www.linkassetservices.com

Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

Stockbroker
Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Notes

Shareholder warning

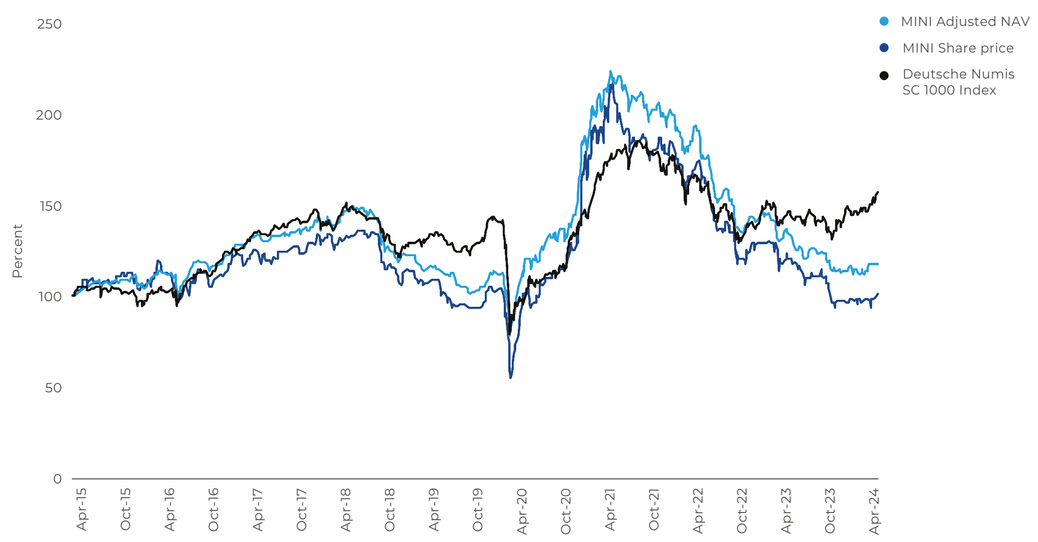
Many companies are aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These calls typically come from fraudsters operating in 'boiler rooms' offering investors shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. While high profits are promised, those who buy or sell shares in this way usually lose their money. These fraudsters can be very persistent and extremely persuasive. Shareholders are therefore advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

It is very unlikely that either the Company or the Company's Registrar would make unsolicited telephone calls to shareholders and that any such calls would relate only to official documentation already circulated to shareholders and never in respect of investment 'advice'.

If you have been contacted by an unauthorised firm regarding your shares, you can report this using the FCA helpline on 0800 111 6768 or by using the share fraud reporting form at:

www.fca.org.uk/consumers/scams.

Company performance since launch on 30 April 2015



Source: Morningstar from 30/04/2015 to 30/04/2024.

Premier Miton
INVESTORS

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