

**abrdn Diversified Income and Growth plc**

***Registered in Scotland under company number SC003721***

**Interim Accounts**

**As at 10 June 2024**

**(prepared in accordance with section 838 Companies Act 2006)**

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**abrdn Diversified Income and Growth plc**

**Condensed Statement of Comprehensive Income (unaudited)**

**For the period 1 October 2023 to 10 June 2024**

|                                              | <b>Notes</b> | <b>£'000</b>           |
|----------------------------------------------|--------------|------------------------|
| <b>Income from investments</b>               |              |                        |
| Franked investment income                    |              | 436                    |
| Overseas and unfranked investment income     |              | 6,634                  |
| Fixed interest bond income                   |              | 1,074                  |
| Treasury bills                               |              | 754                    |
| <b>Other income</b>                          |              |                        |
| Money market fund interest                   |              | 622                    |
| Other interest receivable and similar income |              | 89                     |
|                                              |              | <u>9,609</u>           |
| Administration expenses                      |              | (771)                  |
| Interest payable                             |              | (568)                  |
| <b>Revenue before taxation</b>               |              | <u>8,270</u>           |
| <b>Taxation</b>                              | 2            | <u>(1,548)</u>         |
| <b>Revenue after taxation</b>                |              | 6,722                  |
| <b>Dividends</b>                             |              |                        |
| Dividends on Ordinary shares                 | 6            | <u>(17,805)</u>        |
| <b>Revenue deficit for the period</b>        |              | <u><u>(11,083)</u></u> |

**abrdn Diversified Income and Growth plc**

**Condensed Statement of Financial Position (unaudited)**

**As at 10 June 2024**

|                                                       | Notes | £'000                 |
|-------------------------------------------------------|-------|-----------------------|
| <b>Fixed assets</b>                                   |       |                       |
| Investments at fair value through profit or loss      |       | <u>270,602</u>        |
| <b>Current assets</b>                                 |       |                       |
| Debtors and prepayments                               | 3     | 2,108                 |
| Money market funds                                    |       | 47,870                |
| Cash at bank                                          |       | <u>5,284</u>          |
|                                                       |       | 55,262                |
| <b>Creditors: amounts falling due within one year</b> | 4     | <u>(1,527)</u>        |
| <b>Net current liabilities</b>                        |       | <u>53,735</u>         |
| <b>Net assets</b>                                     |       | <u><u>324,337</u></u> |
| <b>Capital and reserves</b>                           |       |                       |
| Called-up share capital                               | 5     | 3,238                 |
| Share premium account                                 |       | -                     |
| Capital redemption reserve                            |       | -                     |
| Special Distributable reserve                         |       | 231,300               |
| Capital reserve                                       |       | 65,601                |
| Revenue reserve                                       | 7     | <u>24,198</u>         |
| <b>Total shareholders' funds</b>                      |       | <u><u>324,337</u></u> |

These accounts were approved by the Directors on 28 June 2024  
and signed on behalf of the Board of Directors by :

*Davina Walter*

**Davina Walter**  
Chairman

**Notes to the Condensed Financial Statements**

**For the period 1 October 2023 to 10 June 2024**

**1. Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

**Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The Directors do not consider there to be any significant estimates within the financial statements.

**(b) Income**

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends are recognised on their due date. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to their circumstances.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Condensed Statement of Comprehensive Income under taxation.

Distributions of non-recallable capital received from unlisted holdings during their investment phase, which have been funded through profits being generated, are allocated to revenue in alignment with the nature of the underlying source of income and in accordance with guidance in the AIC SORP.

The fixed returns on debt instruments are recognised using the time apportioned accruals basis and the discount or premium on acquisition is amortised or accreted on a straight line basis. Interest income is accounted for on an accruals basis. Underwriting commission is recognised when the issue underwritten closes.

**(c) Expenses**

All expenses are accounted for on an accruals basis and are charged to the Condensed Statement of Comprehensive Income. Expenses are charged against revenue except as follows:

- transaction costs on the acquisition or disposal of investments are charged against capital; and
- expenses are treated as a capital item and ultimately recognised in the capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 50% to revenue and 50% to the capital reserve to reflect the Company's investment policy and prospective income and capital growth.

**(d) Taxation**

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Condensed Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Condensed Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Condensed Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to maintain this status in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Condensed Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

**(e) Investments**

The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis.

Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange.

Unlisted investments, including those in Limited Partnerships ('LPs') are valued by the Directors at fair value using International Private Equity and Venture Capital Valuation Guidelines – Edition 2022.

The Company's investments in LPs are subject to the terms and conditions of the respective investee's offering documentation. The investments in LPs are valued based on the reported Net Asset Value ('NAV') of such assets as determined by the administrator or General Partner of the LP and adjusted by the Directors in consultation with the Manager to take account of concerns such as liquidity so as to ensure that investments held at fair value through profit or loss are carried at fair value. The reported NAV is net of applicable fees and expenses including carried interest amounts of the investees and the underlying investments held by each LP are accounted for, as defined in the respective investee's offering documentation. While the underlying fund managers may utilise various model-based approaches to value their investment portfolios, on which the Company's valuations are based, no such models are used directly in the preparation of fair values of the investments. The NAV of LPs reported by the administrators may subsequently be adjusted when such results are subject to audit and audit adjustments may be material to the Company.

Gains and losses arising from changes in fair value are treated in net profit or loss for the period as a capital item in the Condensed Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

**(f) Borrowings**

Borrowings, which may comprise interest bearing bank loans and unsecured loan notes are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost using the effective interest method. The finance costs of such borrowings are accounted for on an accruals basis using the effective interest rate method and are charged 50% to revenue and 50% to capital in the Statement of Comprehensive Income to reflect the Company's investment policy and prospective income and capital growth.

**(g) Nature and purpose of reserves**

**Called Up Share Capital**

The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This reserve is not distributable.

**Share Premium**

Share premium represents the excess consideration received over the par value of Ordinary shares issued and is classified as equity and is non-distributable. Incremental costs directly attributable to the issue of Ordinary shares are recognised as a deduction from share premium. Court approval was received on 7 June 2024 for the total amount standing to the credit of the share premium account to be cancelled to create a new special distributable reserve.

**Capital redemption reserve**

The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital. This reserve is not distributable. Court approval was received on 7 June 2024 for the total amount standing to the credit of the reserve to be cancelled to create a new special distributable reserve.

**Capital reserve**

This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences. Additionally, expenses, including finance costs, are charged to this reserve in accordance with (c) and (f) above. The capital reserve is distributable to the extent unrealised gains/losses arising from unlisted investments are excluded.

**Special distributable reserve**

The special reserve was created following Court approval. The amount arising is available for distribution as distributable profits to be used for all purposes permitted by the Companies Act 2006 excluding the payment of dividends.

**Revenue reserve**

This reserve reflects all income and costs which are recognised in the revenue column of the Condensed Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

**(h) Foreign currency**

Monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature.

**(i) Derivative financial instruments**

Financial derivatives are measured at fair value based on an appropriate model. Changes in the fair value of derivative financial instruments are recognised in the Condensed Statement of Comprehensive Income as they arise. If capital in nature, the associated change in value is presented as a capital item in the Condensed Statement of Comprehensive Income.

**(j) Segmental reporting**

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

**(k) Dividends payable**

Dividends payable to equity shareholders are recognised in the condensed financial statements when they have been approved by Shareholders and become a liability of the Company. Interim dividends are recognised in the condensed financial statements in the period in which they are paid.

**abrdn Diversified Income and Growth plc****Notes to the Condensed Financial Statements continued****For the period 1 October 2023 to 10 June 2024**

|                                                                             |              |
|-----------------------------------------------------------------------------|--------------|
| <b>2. Taxation</b>                                                          | <b>£'000</b> |
| <b>(a) Charge for the period</b>                                            |              |
| Current tax:                                                                |              |
| Current UK tax                                                              | 1,573        |
| Double taxation relief                                                      | (11)         |
| Corporation tax prior year adjustment{A}                                    | 1            |
| Overseas tax suffered                                                       | (15)         |
|                                                                             | <u>1,548</u> |
| <b>(b) Factors effecting the tax charge for the period</b>                  |              |
| Profit before taxation                                                      | <u>8,270</u> |
| Profit multiplied by the estimated rate of corporation tax in the UK of 25% | 2,067        |
| Effects of:                                                                 |              |
| Non taxable UK dividend income                                              | (122)        |
| Non taxable overseas dividend income                                        | (174)        |
| Overseas tax suffered                                                       | (15)         |
| Double taxation relief                                                      | (11)         |
| Corporation tax prior year adjustment                                       | 2            |
| Preference share dividends not deductible for tax purposes                  | 2            |
| Excess management expenses                                                  | (201)        |
| Current taxation charge for the period (note 2 (a))                         | <u>1,548</u> |
| <b>3. Debtors</b>                                                           | <b>£'000</b> |
| Prepayments and accrued income receivable                                   | 676          |
| Taxation recoverable                                                        | 541          |
| VAT recoverable                                                             | 3            |
| Other debtors and prepayments                                               | 888          |
|                                                                             | <u>2,108</u> |
| <b>4. Creditors</b>                                                         | <b>£'000</b> |
| Amounts falling due within one year:                                        |              |
| Corporation tax                                                             | 967          |
| Other creditors                                                             | 560          |
|                                                                             | <u>1,527</u> |

**abrdn Diversified Income and Growth plc**

**Notes to the Condensed Financial Statements continued**

|                                                                                             | <b>Number of<br/>shares (incl treasury)</b> | <b>£'000</b>  |
|---------------------------------------------------------------------------------------------|---------------------------------------------|---------------|
| <b>5. Called up share capital</b>                                                           |                                             |               |
| Allotted, called up and fully paid Ordinary shares of 1p each                               | 323,751,806                                 | 3,238         |
|                                                                                             |                                             | <u>3,238</u>  |
| <b>6. Dividends on Ordinary shares</b>                                                      |                                             | <b>£'000</b>  |
| Equity share dividends:                                                                     |                                             |               |
| Third quarterly dividend of 1.42p paid on 19 October 2023                                   |                                             | 4,278         |
| Special dividend of 1.65p paid on 1 December 2023                                           |                                             | 4,971         |
| Fourth quarterly dividend of 1.42p paid on 22 January 2024                                  |                                             | 4,278         |
| Interim dividend of 1.42p in respect of year ending 30 September 2024 paid on 27 March 2024 |                                             | 4,278         |
|                                                                                             |                                             | <u>17,805</u> |
| <b>7. Revenue post final dividend paid for 2023</b>                                         |                                             | <b>£'000</b>  |
| B/f revenue reserve at 1 October 2023 per Annual Report                                     |                                             | 35,280        |
| Less: Third quarterly dividend on Ordinary shares - 1.42p                                   |                                             | (4,278)       |
| Less: Special dividend on Ordinary shares - 1.65p                                           |                                             | (4,971)       |
| Less: Fourth quarterly dividend on Ordinary shares - 1.42p                                  |                                             | (4,278)       |
| Adjusted revenue reserves at 1 October 2023 (Companies Act basis)                           |                                             | <u>21,753</u> |
| <b>Current period (see Statement of Comprehensive Income)</b>                               |                                             |               |
| Revenue after taxation                                                                      |                                             | 6,722         |
| Less: Interim dividend 2024 on 301,265,952 Ordinary shares paid 27 March 2024 - 1.42p       |                                             | (4,278)       |
|                                                                                             |                                             | <u>2,444</u>  |
| Adjusted revenue reserves at 1 October 2023                                                 |                                             | 21,753        |
| Current year revenue reserves after dividends paid/ payable                                 |                                             | 2,444         |
| Revenue reserve post payment of interim dividend for year ending 30 September 2024          |                                             | <u>24,198</u> |