EUROPEAN OPPORTUNITIES TRUST PLC

Annual Report and Accounts

for the year ended
31 May 2024

DEVON
Equity Management

INTRODUCING EUROPEAN OPPORTUNITIES TRUST PLC

Launched in November 2000, European Opportunities Trust PLC (the 'Company') is an investment trust that invests in European companies with the aim of delivering capital growth to shareholders over the long term. From its launch to 31 May 2024 the Company's net asset value ('NAV') total return was +1,088.7%, compared to the Company's Benchmark total return of +300.6%.

The Board of Directors are committed to serving the best interests of shareholders as well as having regard for the wider community of stakeholders. Under the guidance of the Chair, the Board is responsible for the overall strategy of the Company and monitoring its performance. The Company's investment management is delegated to Devon Equity Management Limited ('Devon'), whose Chief Investment Officer, Alexander Darwall, has been responsible for the Company's portfolio since the Company's inception in November 2000. Alexander is supported by four investment professionals at Devon.

The Company's stated investment objective is to invest in the securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, taking into account economic trends and business development.

TABLE OF CONTENTS

FINANCIAL HIGHLIGHTS
for the year ended 31 May 2024

Net asset value total return[1] (with dividends reinvested)

15.5%

2023: 3.3%

This performance was behind that of the Company's Benchmark, the MSCI Europe index, total return in GBP, which increased by 17.3% (2023: 6.9%).

Share price total return[1] (with dividends reinvested)

16.5%

2023: 5.0%

Your Company's share price at 31 May 2024 was 906p.

Shareholders' funds[3]

£656m

2023: £863m

Gross assets, including drawn down bank debt of £60m, were £716m.

Discount to net asset value[1] (as at 31 May 2024)

(10.2)%

2023: (10.9)%

	31 May 2024	31 May 2023	% change
Net asset value per share (pence)	1008.48	876.46	15.1
Net asset value total return[1]			15.5
Middle market share price (pence)	906.00	781.00	16.0
Share price total return[1]			16.5
MSCI Europe index, total return in GBP (Benchmark)			17.3
Dividend per share (pence) in respect of financial year[1]	2.0[2]	3.5	
Discount to net asset value at year end (%)[1]	(10.2)	(10.9)	
Ongoing charges ratio (%)[1]	0.97	1.02	

1 Alternative Performance Measure. For definitions please refer to the Glossary of Terms and Alternative Performance Measures on page 80.
2 Proposed dividend to be approved at the forthcoming AGM.
3 Shareholder funds were reduced in 2024 as a consequence of the tender offer and buy backs, as described on page 5.

LONG-TERM TRACK RECORD

To 31 May 2024	3 years %	5 years %	10 years %	10 years annualised %	Since launch on 20.11.2000 %	Annualised return since launch %
Net asset value total return[1]	23.4	25.0	137.0	9.2	1088.7	11.1
Share price total return[1]	21.9	13.4	109.3	7.7	912.4	10.4
MSCI Europe index, total return in GBP (Benchmark)	28.4	57.0	114.2	7.9	300.6	6.1

As at 31 May	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital										
Shareholder funds (£m)	558.4	613.9	795.0	873.2	927.5	922.9	879.0	872.6	862.9	656.4
Net Asset Value per share (p)	546.3	550.2	712.5	778.9	822.2	817.7	824.3	850.6	876.5	1,008.5
Share price (p)	551.0	530.0	692.0	770.0	815.0	753.0	750.0	746.0	781.0	906.0
Premium/(discount) to NAV (%)[1]	0.9	(3.7)	(2.9)	(1.1)	(0.9)	(7.9)	(9.0)	(12.3)	(10.9)	(10.2)
Revenue										
Revenue return per share (p)	4.8	6.8	7.9	5.8	5.6	4.1	2.1	2.6	3.3	0.3
Dividend per share (p)[1]	3.8	5.5	6.5	6.5	5.5	3.5	2.0	2.5	3.5	2.0[2]
Ongoing charges (%)[1]	0.96	1.08	0.99	0.91	0.90	0.99	0.99	1.02	1.02	0.97
Gearing										
Net Gearing (%)	6.0	14.0	7.7	4.9	6.3	–	7.0	9.4	8.9	8.4

Year on year performance to 31 May	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net asset value total return[1] (%)	22.0	1.4	30.8	10.3	6.4	0.1	1.2	3.4	3.3	15.5
Share Price total return[1] (%)	20.7	(3.2)	31.8	12.2	6.7	(7.0)	0.1	(0.3)	5.0	16.5
MSCI Europe Total Return Index in GBP (Benchmark)	5.2	(4.7)	32.3	2.3	0.6	(1.9)	24.6	2.4	6.9	17.3

1 Alternative Performance Measure. For definitions please refer to the Glossary of Terms and Alternative Performance Measures on page 80.
2 Proposed dividend to be approved at the forthcoming AGM.
Source: MSCI Europe & Devon Equity Management Limited. Past performance is no guide to the future.

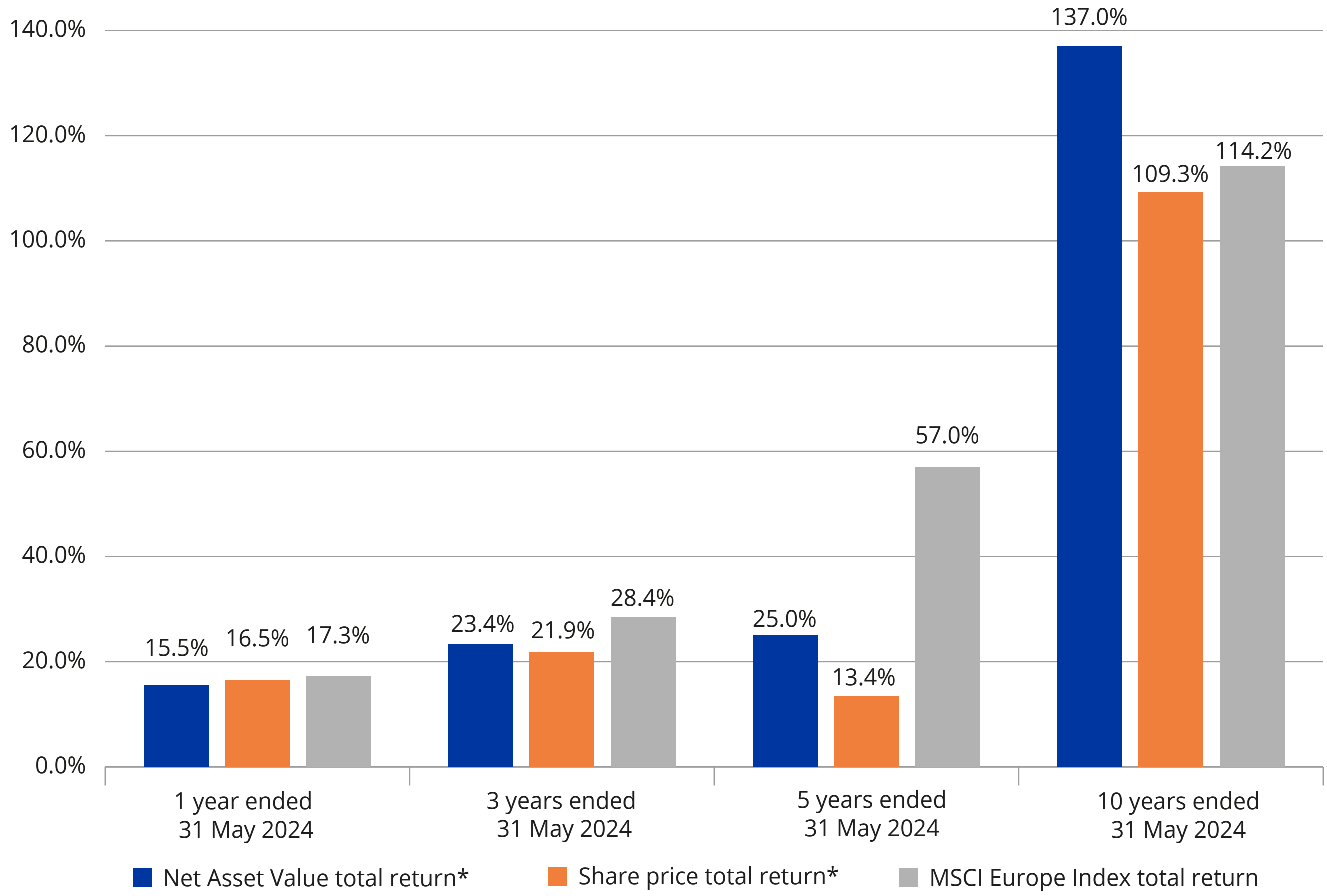
CHAIR'S STATEMENT

I am pleased to present the Company's twenty fourth Annual Report and Accounts since launch, covering the twelve months ended 31 May 2024.

During the period under review, the total return on the net asset value per share of the Company was 15.5% (with dividends reinvested). This compares with the total return (again reflecting dividends reinvested) of 17.3% from our Benchmark, the MSCI Europe index in GBP, and the total return on the price of the Company's shares of 16.5% during the same period.

Since the year end, the net asset value per share has remained flat at 1,008.8p (as at 31 August), underperforming the Benchmark index which increased by 0.7% over that period. The market price of the Company's shares on 31 August was 900p, a reduction of 0.7% since the financial year end.

Whilst the Company's NAV total return has outperformed our Benchmark over the ten years to 31 May 2024, its three and five year NAV total returns have been below the Benchmark. The Board is painfully aware of the disappointment this entails for shareholders. Through intense engagement with the Investment Manager, the Board is persuaded that the consistency of commitment to a differentiated, high conviction approach will be vindicated in the longer term. Since launch, the Company has generated an annualised net asset value total return of 11.1% and an annualised share price total return of 10.4% as at 31 May 2024.



*Alternative Performance Measure.

Our Investment Manager's views on the contributors and detractors to recent performance are set out from page 8.

CHAIR'S STATEMENT continued

Annual dividend

The Company's stated investment objective is to achieve shareholder returns primarily through capital growth. Accordingly the Board does not impose a specific income objective on the Investment Manager in the management of the portfolio. Consequently, as can be observed from the Long-Term Track Record table on Page 3 of this report, the revenue per share, and therefore the dividends paid, have fluctuated from year to year.

Due primarily to transaction activity in the portfolio involving the disposal of a number of high income generating securities and the reduction in the size of the Company, there has been a particularly sharp decline in the revenue return per share to 0.3p per share in the year under review (3.3p in 2023).

It has generally (but not exclusively) been the Board's policy to pay a dividend covered by the revenue return per share of the year to which it pertains. However, in view of the scale of the decline in the year to 31 May 2024, the importance of income to many shareholders and the ample revenue reserves, the Board has decided to recommend a final dividend of 2.0p (3.5p in 2023).

This illustrates one of the flexibilities of investment trusts which, in contrast with open-ended funds such as OEICs, can hold back some of the income in good years, thereby building up revenue reserves that can be used to supplement dividends during periods of lower revenue returns.

The dividend will be proposed at the Annual General Meeting and be payable on 25 November 2024 to shareholders on the Register of Members on 8 November 2024 (the Record Date). The ex-dividend date is 7 November 2024.

A dividend reinvestment plan (DRIP) is available from the Company's registrars, Link Group, to shareholders who wish to re-invest their dividends in the shares of the Company. Link's contact details are set out on page 84.

Discount management and 2026 tender offer

The discount on the Company's shares was 10.2% at the year end (2023: 10.9%) and the average discount for the year was also 10.2% (2023: 14.4%). The year end discount was wider than the 7.8% average on that date for the investment companies' universe as a whole (excluding VCTs) and wider than the average of the Company's peers in the AIC Europe sector of 6.7%.

The Board has an active discount management policy, the primary purpose of which is to reduce discount volatility. It seeks to maintain the discount in single digits in normal market conditions. Buying shares at a discount also results in an enhancement to the NAV per share.

In January 2024, the Board implemented a tender offer at close to NAV for 25% of the shares in issue which was fully subscribed. The Board has also announced proposals for a further performance-related tender offer for up to 25% of the shares in issue in the event that the Company's net asset value total return does not equal or exceed the Benchmark total return over the three-year period ending on 31 May 2026. The Company will also put a continuation vote to shareholders at the 2026 AGM in accordance with its three-yearly continuation vote cycle.

In the meantime, the Board believes that the most effective means of minimising any discount at which the shares may trade is for the Company to deliver strong, consistent, long-term performance from the investment portfolio (in both absolute and relative terms). However, wider market factors inevitably impact the rating of the shares from time to time.

In determining whether a share purchase would enhance shareholder value, the Board takes into account market conditions, the Company's performance, any known third-party investors or sellers, the impact on liquidity and total expense ratios, as well as the level of discount to net asset value at which the shares are trading. Any purchases will only be made at prices below the prevailing net asset value and where the Board believes that such purchases will enhance shareholder value.

A total of 33,365,814 shares were repurchased during the period under review (with an aggregate value of £302.2 million, inclusive of £222.7 million purchased pursuant to the tender offer implemented in January 2024). This compares with 4,126,242 shares bought into treasury in the previous financial year. A further 630,919 shares (with an aggregate value of £5.6 million) have been repurchased since the financial year end (as at 9 September 2024).

The Board believes that the Company should retain the power to buy back shares during the current financial year and is therefore seeking to renew the annual authority to repurchase up to 14.99% of the shares in issue at the forthcoming AGM.

Gearing

The net gearing level on the Company's investments was 8.4% (2023: 8.9%) at the year end.

The Board believes that borrowing can enhance returns to investors over the long term. The Board monitors the level of the Company's gearing carefully on an ongoing basis and it should be stressed that all gearing is subject to the Investment Manager's confidence in identifying attractive investment opportunities and to them remaining attractive.

Subsequent to the financial year end, the Company renewed its multi-currency revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £85 million available until September 2025 (2024: £85 million) and credit approval for an additional 'accordion' amount available upon application for a further £50 million (2024: £50 million). There was £60 million drawn down as at 31 May 2024, unchanged as of the date of this report.

Board re-elections at the AGM

As previously announced, Lord Lamont intends to retire from the Board at the forthcoming Annual General Meeting. Lord Lamont has served on your Board since 2015, as chair of the Remuneration Committee and as your Senior Independent Director since 2023. On behalf of the Board and you, our shareholders, I would like to thank him for his exceptional contribution to the Company throughout his nine years of service. He takes with him our very best wishes for the future.

I am delighted that Jeroen Huysinga has agreed to take over as Senior Independent Director and that Manisha Shukla will take over as Chair of the Remuneration Committee with effect from the date of our AGM.

We continue to review Board composition and Directors' succession regularly to ensure that we have a Board with a mix of tenures and one which provides diversity of perspective together with the range of appropriate skills and experience for your Company. The Directors' biographies can be found on page 30.

In accordance with the UK Corporate Governance Code, all Directors who have held office during the financial year (with the exception of Lord Lamont) are offering themselves for re-election (or, in the case of Neeta Patel, who joined the Board since the last AGM, first election) at the forthcoming Annual General Meeting.

I would like to thank my fellow Directors for their diligence and dedication on your behalf over the last year.

Shareholder engagement

The Board believes that shareholder engagement is extremely important and recognises the importance of maintaining an open dialogue with shareholders. Over the course of the year, we have continued to engage with a range of our shareholders representing in aggregate the majority of the share register. The Board values the feedback it has received and insights it has gained through the engagement process and we thank the shareholders for their valuable contributions. We remain committed to continued engagement with all shareholders.

Update Statement on 2023 Annual General Meeting

At the Company's 2023 Annual General Meeting all resolutions were passed with the requisite majorities. However, the Company received more than 20% of votes cast against several resolutions. In accordance with AIC Code of Corporate Governance, the Board offered meetings with shareholders who voted against the identified resolutions. The relevant shareholders responded that they did not require a meeting at that time. The Board will continue to maintain an open dialogue with shareholders ahead of the forthcoming Annual General Meeting and welcomes feedback from any shareholders on the Company's progress.

2024 Annual General Meeting

The Company's Annual General Meeting will be held at 11:00 am on 13 November 2024. Notice of the Annual General Meeting, containing full details of the business to be conducted at the meeting, is set out on page 86 of this report.

I would like to take the opportunity to remind shareholders that you have the right to attend and vote on matters that affect the Company. It is an important aspect of an investment trust that shareholders can and are encouraged to make their voices heard by voting on key business matters.

CHAIR'S STATEMENT continued

Your attention is also drawn to the Directors' Report beginning on page 32, where the resolutions classified as special business are explained on page 35. The Directors consider that all resolutions to be put to shareholders are in their and the Company's best interests as a whole, and recommend that shareholders vote in their favour.

In addition to the formal business, Alexander Darwall and members of the investment team at Devon will provide a presentation to shareholders on the performance of the Company over the past year as well as an outlook for the future.

Should shareholders have questions for the Board or the Investment Manager, or any queries as to how to vote, they are welcome, as always, to submit them by email to enquiries@devonem.com or call 020 3985 0445.

Outlook
Your Board and I would like to express our thanks to all of our shareholders for their continuing support and as ever, welcome any engagement with our shareholders. Through the superior characteristics and earnings growth prospects of the underlying portfolio, we are confident that the Company is well positioned to offer an attractive investment proposition. We are not, however, complacent and we acknowledge that the five and three year relative returns have been below par. We shall continue to keep the Company's performance, and our Investment Manager, under close review on your behalf.

Matthew Dobbs
Chair
19 September 2024

INVESTMENT MANAGER'S REVIEW

The total return on the net asset value of the Company's shares was 15.5% during the twelve months to 31 May 2024. This compares with a total return of 17.3% from our Benchmark, the MSCI Europe index in GBP.

Index performance

Despite political turmoil in Europe and disappointing growth rates, European equities advanced in the period under review. Moderating inflation in the EU, where the annual inflation was 2.6% in April 2024 compared with 8.1% a year earlier, has prompted cuts in interest rates. Between 2022 and 2024, European interest rates rose rapidly; the ECB's refinancing rate went from 0% in 2022, peaking at 4.5% in 2023. With the cooling in the rate of inflation, the ECB lowered its refinancing rate in June this year, but it remains, at 4.25%, higher than at any time since 2008. Nevertheless, anticipation of a period of rate reductions provided support for European equities.

The brightest element behind the strong equity market performance was the impact of Artificial Intelligence (AI). Whilst principally an American phenomenon, European technology stocks, too, were lifted by the opportunities this will bring. The benefits of AI were recognised in other sectors, where proprietary Intellectual Property (IP) can be leveraged with AI. Notwithstanding the productivity gains from these technological advances, corporate earnings growth in Europe (MSCI Eurozone) is modest. Earnings in 2023 declined slightly, whereas consensus aggregate earnings for 2024 anticipate about 3-5% growth. As in the US, much of the growth is coming from Technology and Communication Services. For the markets more broadly, rising real wages are squeezing corporate margins.

Performance

Whilst the Company's total NAV return was 15.5%, we were disappointed not to outperform the Benchmark during the period under review. As ever, stock picking is the key to our performance. This was hampered by the negative sentiment around small and mid-sized stocks, a part of the market to which our portfolio has a greater than average exposure. We believe that many small and mid-sized companies are significantly undervalued. In some cases, these have attracted private equity interest, underpinning valuations. We still regard this as insufficient and are disappointed to see our holdings, notably Darktrace, taken out of the public market at unsatisfactory prices. We had anticipated years of progress at Darktrace and are disappointed to forego that eventuality.

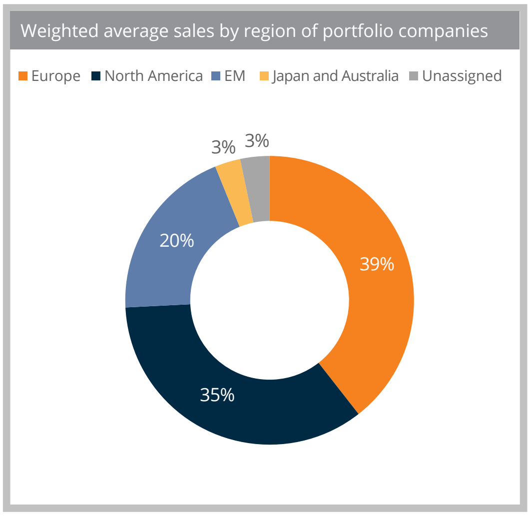
The Company's relative performance was impacted by an underweight exposure to the banking sector. Banks performed strongly during the period as higher rates, strong fee momentum, moderating cost inflation headwinds, lower regulatory costs and benign credit costs all fed through to better-than-expected earnings reports. This has fed into dividend distributions and a modest re-rating (off a low base).

Whilst we recognise the cyclical tailwind during the period under review from rising rates and continuing low levels of non-performing loans, our structural view of the European banking sector remains unchanged. Specifically, we generally avoid business models dependent on high levels of leverage to generate returns above their cost of capital. Through multiple cycles European banks have proven consistently unable to generate returns above their cost of capital on a sustainable basis, which precludes our involvement in the sector. The significant asymmetric risk to the downside in periods of challenging macro (which can result in equity issuance or even effective/actual bankruptcy) reinforces our aversion to the sector.

Positioning

We continue to invest, as we always have, in 'special' companies that, in our opinion, can flourish in a range of economic scenarios and which are well protected from competitive pressures. We believe that our portfolio is well positioned to navigate macro challenges. Europe's low structural growth is a major challenge. Europe's real GDP has only grown at 1.5% pa in the past decade, below the US at 2.3% pa, and below the wider world at 2.7% pa. This is mitigated in our portfolio by the greater extra-European revenue exposure of the portfolio. The STOXX Europe index derives approximately 41% of its revenues from Europe, 24% from North America and 21% from Asia-Pacific. The respective 'look-through' share of revenues for your Company are 39% and 35% for Europe and North America respectively; emerging markets account for 20% of sales on the same basis:

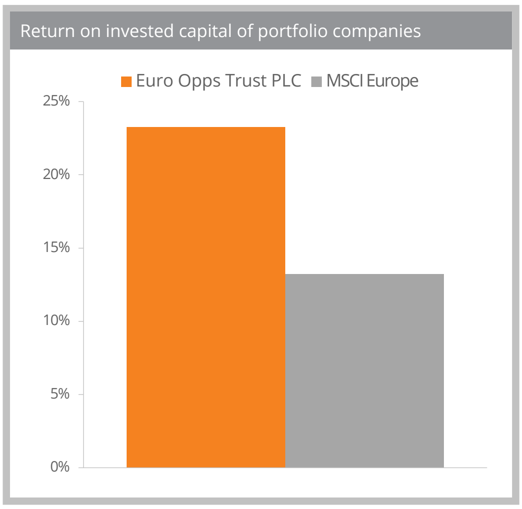
INVESTMENT MANAGER'S REVIEW continued



Source: Devon, 31.05.24. Excludes cash.

Consumer spending has been remarkably robust since the outbreak of COVID, on the back of huge public spending support. A squeeze on consumer spending looks inevitable at some point. Accordingly, the portfolio is tilted away from consumer facing stocks and is instead more heavily weighted towards companies which provide goods and services to other companies and governments (often described as B2B). Therefore, we expect the earnings of our investee companies to be less cyclical, more robust and to grow even as consumer spending declines. Perhaps the most obvious example of a sector that is uncorrelated to consumer spending is the Defence sector. We initiated new positions in Thales and BAE Systems, to capture the seemingly inevitable increase in Defence spending.

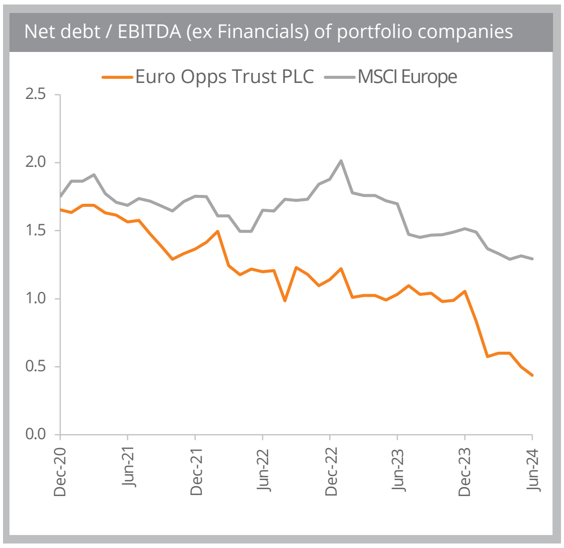
Our companies typically have more IP and value added across the portfolio. The corollary of this is that Return on Invested Capital (ROIC) tends to be higher than average. The comparison of our portfolio with the index constituents shows much better returns on this metric:



Source: Bloomberg, in GBP, 31.05.24.

Another characteristic of the Company's portfolio is its high active share. The active share at the period end was 91.4% (2023: 92.5%), being defined as the sum of the absolute value of the differences of the weight of each holding versus the weight of each holding in the Benchmark, divided by two. Our investee companies also tend to have relatively low debt levels, which is partly due to their low capital intensity and high cashflow generation, and partly a function of the predominantly 'organic' growth strategies:

INVESTMENT MANAGER'S REVIEW continued



The development of the energy market is another important consideration in our positioning. Oil prices, in sterling, rose 10% in the period under review. More significantly, Europe's commitment to the 'Green Economy', not matched elsewhere in the world, is a threat to Europe's industrial competitiveness and has led to 'offshoring', that is to say, moving businesses outside Europe to reset costs lower. This is the opposite of the US experience where their vibrant energy sector has led to the 're-shoring' of industry. Europe is vulnerable to energy costs; the green transition is not likely to reverse its long record of economic underperformance. For these reasons Europe is a difficult area in which to invest. A meagre allocation to European equities disproportionately affects mid and smaller stocks, stocks which form the bulk of our portfolio. Investor indifference is mitigated to a certain extent by Private Equity interest.

Contributors

The five largest contributors to performance during the period under review are highlighted in bold on page 15.

Yet again, the biggest single contributor to our performance relative to our Benchmark in the period under review was **Novo Nordisk**, the Danish pharmaceutical company. The company reported strong profit increases over the last twelve months. Its GLP-1 drugs, for diabetes and weight management, have gained significant traction in many markets, most importantly, the United States. A body mass index (BMI) over 30 is considered obese by the World Health Organisation. The anti-obesity part of their business is extraordinary: an almost completely new opportunity, one, moreover, that is relevant to the estimated one billion people worldwide with a BMI of over 30. Moreover, clinical trial results were very encouraging with concomitant labelling improvements. Semaglutide, the GLP-1 active ingredient in Ozempic and Wegovy (respectively the diabetes and weight loss drugs), has been found to have additional beneficial indications. The most important, though not the only one, is cardiovascular (CV) disease. Weight loss is not only good in itself; it also reduces the risk of other diseases such as diabetes and CV disease. Clinical trials show that semaglutide's therapeutic effects go beyond the benefits that come simply from weight loss. The pharmacoeconomic (measuring costs and outcomes) case for GLP-1 drugs is building; arguably, the case for Semaglutide specifically, with its CV indication, is even better.

Being our biggest investment, the strong performance of the shares (up 66% in the twelve months under review) made a big contribution to the portfolio. Novo Nordisk's weighting was 13% of total assets at the beginning of the reporting period; at the end it was 14.2% of total assets. We sold c. £71.4 million of shares during the period under review to keep the weighting down. Nevertheless, this is clearly a very significant position. Our confidence in Novo Nordisk is not simply the excitement about its new blockbuster drugs and the massive latent demand worldwide for anti-obesity drugs. What makes it a great investment, with a weighting to match, is the visibility of its prospects. There is only one other serious competitor at present. It will take years for others to pass through clinical trials and launch new competing products. In the interim, Novo Nordisk is constantly developing more advanced products itself. It has an impressive manufacturing scale, and distribution reach,

INVESTMENT MANAGER'S REVIEW continued

and enjoys a distinguished heritage in China which is a significant advantage as it addresses that market. Transparency of Novo Nordisk's pipeline and those of its competitors, coupled with the need for regulatory authorisation, means that it is relatively easy to monitor threats to the company's leading position. The nature of this business is such that we are likely to get plenty of warning of any material threats.

Another significant contributor to our performance relative to our Benchmark was **RELX**, one of our long-standing, major investments. The company is clearly a winner from Generative AI, one factor behind the higher growth rates reported in two areas of the company's business, Risk and Legal. RELX has for many years developed algorithms which might now be described as AI. RELX has the necessary ingredients for success, data sets and domain knowledge, which should help maintain good growth rates. The Exhibitions business has also rebounded very strongly after COVID-related lockdowns.

Shares in **Darktrace** soared following an offer for the company from a private equity firm. We invested in Darktrace when it came to the market in April 2021. Although the exit price (at more than twice the price of the Initial Public Offering) marked a successful investment for us, it is disappointing that the adverse and often unreasonable commentary that blighted its time in the public markets effectively forced Darktrace into private ownership. We had anticipated many years of growth with Darktrace, which operates in a niche area of cybersecurity.

The global alternative asset manager, **Intermediate Capital Group (ICG)**, which provides investment finance across the capital structure, was another good performer. Just as public markets are squeezed by capital outflows, so the private markets are relatively buoyant. ICG is a beneficiary of this and with its emphasis on private credit markets is less vulnerable to a downturn than pure private equity.

Experian was also a contributor to our performance. As a leading credit bureau in the biggest market, the US, Experian has been vindicated with its differentiated strategy. By developing a consumer-facing credit platform, the company successfully navigated the slowdown in the traditional market for credit bureaus, serving the banks. It also has a strong business in Brazil which is growing rapidly, and where the outlook is good.

Camurus, a new investment, was also a strong performer. Swedish-listed, Camurus uses its proprietary, extended-release technology to develop long-acting pharmaceutical drugs (typically using existing approved, active pharmaceutical compounds), addressing the needs of patients living with severe and chronic diseases. Their medicines are developed in-house or in partnerships with international pharmaceutical companies. These long-acting medicines aim to improve chronic disease management both in terms of efficacy and treatment administration, but also in terms of reducing the treatment burden. The company's first product is a once-weekly or monthly medication for the treatment of moderate to severe opioid use disorder (OUD) and is particularly effective in the prevention of withdrawal symptoms caused by stopping the use of opioids for pain management therapy. The medicine has been launched in the US, Australia, the UK and Finland. Initial reports of the markets' acceptance are very encouraging. The opportunity is huge owing to the large addressable market.

Prysmian reported a string of good results. Its leading position in the manufacturing of electrical energy cables means that it is a beneficiary of the energy transition. The share of electricity in final energy demand is likely to increase, which might be described as electrification of energy, and for this grid stability and resilience is prerequisite. The initial driver for this transition was the increase in renewable energy. The rapid increase in demand for data centres, itself partly driven by the surge in AI, has intensified the urgent need to upgrade electricity networks and to overhaul and modernise the electric grid, especially in the US.

Deutsche Boerse was another contributor. Its various transactions platforms continue to perform well: 'higher for longer' interest rates in Europe have boosted profits; its power trading platform is proving to be very successful and volatility in financial markets is a boon to their activities.

The continuing demand for Liquified Natural Gas (LNG) has underpinned the success of **Gaztransport et Technigaz ('GTT')**. There is no doubt that LNG will continue to be an important, indeed growing, part of the energy mix. New sources of natural gas are being developed in the world. The transport of that gas with LNG carriers is almost certain to increase. As a leading technology provider of solutions for transporting LNG, and other liquified fuels, GTT is clearly a beneficiary of this trend.

Detractors

The five largest detractors from performance during the period under review are highlighted in italics on page 15.

Edenred had a significant negative impact on our relative returns. Although a good long-term performer, the share price stalled on concerns about regulatory changes in its main markets, France and Brazil. However, we do not think that these concerns amount to a serious threat to Edenred's position as the leader in specific purpose benefits. We maintained the holding.

Genus also detracted from our performance relative to our Benchmark during the period under review. Results were impacted by the weak performance in the Chinese market and by delays in the application process for approval for gene-edited pigs. We are confident that they will obtain approval, which will transform their fortunes. Accordingly, we retained the position.

Dassault Systèmes has an excellent long-term record. However, the shares performed poorly in the period under review. The short-term growth rate has moderated, impacted by the slowdown in clinical trials post COVID, which in turn has dampened growth in their life sciences business. Nevertheless, we remain very positive about Dassault Systèmes' strong position and prospects for growth. Automotive-related demand is robust and likely to improve as cost efficiency becomes ever more important with the development of Electric Vehicles (EV). Aerospace and defence demand is another growing opportunity. Moreover, Generative AI is already driving growth. We retained the shares.

Grifols was another significant detractor, as allegations around accounting and governance damaged the company. The company has addressed these concerns, obtained a clean bill of health from the Spanish regulator, published unqualified accounts, appointed a new external CEO and reduced debt. There is considerable scope to improve operating performance, underpinning our confidence in this holding.

Worldline shares have performed badly. Nevertheless, we saw value in the shares and increased the holding.

We sold the holding in **Neste** following a series of disappointments. We lost confidence in management and its ability to navigate the challenges of the demand, supply imbalance in the biofuels and renewable diesel markets.

We also sold all our shares in **Bayer**, a chronic underperformer that also detracted from performance in the period. We were unimpressed by new management and do not believe that they are tackling the company's challenges successfully.

S.O.I.T.E.C also detracted from our returns relative to our Benchmark. The business has proved to be more cyclical than we expected with high smartphone inventories dampening demand for their products. Furthermore, it has not succeeded in getting widespread adoption of its unique silicon carbide splitting technology. Whilst acknowledging that progress is slower than we had hoped, we still believe that the company's technology will gain extensive acceptance and retained the shares.

Finally, we note the negative impact of **Genmab** shares on the portfolio. Whilst its standing as a leader in the production of antibody therapeutics is not in doubt, its ability to monetise its technology leadership is a concern. Nevertheless, we decided to keep the position, believing that in due course the company will be properly rewarded for its impressive technology.

Portfolio activity

During the period under review, we raised approximately £325.5 million net cash. We sold about £605.7 million of stocks and reinvested around £280.3 million representing a turnover ratio of 71% of the Company's average net assets during the year (2023: 28%). Takeover activity within the portfolio, the funding of share buy backs and the tender offer in January 2024, for which we had to raise approximately £222.7 million, accounted for most of this activity. We reduced the number of holdings from 31 to 27. There were four new investments and eight complete sales during the period under review.

INVESTMENT MANAGER'S REVIEW continued

The biggest sales in the period under review were of three troubled holdings, **Merck KGaA**, **Neste** and **Bayer**. Merck's pharmaceutical business announced disappointing clinical trial results. We sold because we saw better opportunities in other stocks. The sale of Neste followed a series of disappointments with the management's performance. Poor execution and poor communication undermined our confidence in the company. There is also some evidence that European governments are backing away from earlier biofuels commitments, representing a setback for Neste. We decided to sell all our shares in Bayer as we are not convinced that the new CEO's plans will work. The cultural challenges, not to mention litigation overhangs, need to be addressed and overcome at Bayer.

We also made outright sales of **Borregaard**, **Elkem**, **Wolters Kluwer**, **OHB Technology** and **SUSE**. The last two companies were sold following offers from private equity firms. We sold Borregaard because profit growth failed to match our expectations; we sold Elkem as reported profits disappointed and Wolters Kluwer on valuation grounds.

We took new positions in, **Camurus**, **CTS Eventim, Thales** and **BAE Systems**, the biggest new position being Swedish-listed Camurus.

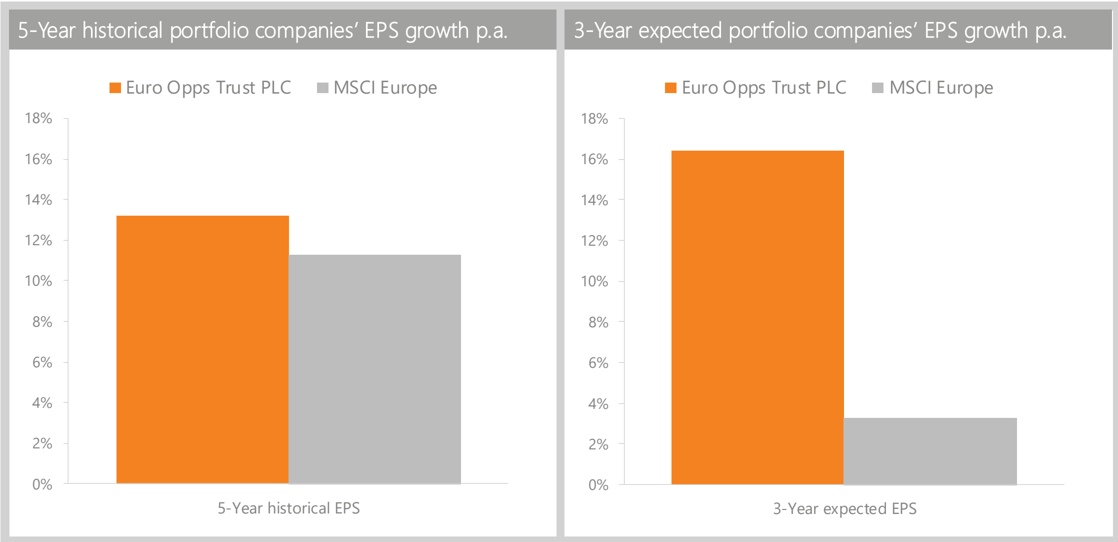
We initiated a position in **CTS Eventim**, which is Europe's leading promotor of live entertainment, and the number one provider of ticketing services in Europe. It also operates some of Europe's most renowned venues, a few of which it owns. Demand for live entertainment is growing. CTS Eventim's continues to develop its ticketing services, gaining market share and expanding geographically.

We made two small new purchases in **Thales** and **BAE Systems**. Both companies will benefit from increasing European defence spending. They also stand to benefit from more defence spending in other parts of the world, notably Asia. Moreover, both companies cover the fullest range of defence which, nowadays, is not simply Land, Sea and Air, but also extends to cyber and space. Competence across all these areas is thought to improve the value proposition of each offering. Thales, the French multinational company that designs, develops and manufactures systems, devices and equipment for the aerospace, defence and security sectors is a leader in cyber security and data protection. Increasing demand for their products and services is evident. BAE Systems, the UK-listed defence and aerospace company is gaining business in the US and also looks well-placed to grow in Asia where there is clearly increasing long-term demand for defence solutions.

We also increased commitments in a number of existing holdings. We bought more shares in **Genus** following setbacks in the process of obtaining FDA approval for its gene-edited pigs. We expect them to get approval and expect this to transform the company's fortunes. We also bought more shares in **BFF Bank** after a sharp fall in the share price, a fall caused by a regulatory enquiry by the Bank of Italy. We expect the bank to recover fully in due course. The decision to buy more shares in **Oxford Instruments** followed the appointment of a new CEO who has refreshed the strategy. The clarity, credibility and accountability of this strategy is encouraging. We also bought more shares in **Bachem**, which should benefit from the surging demand for peptide manufacturing, and **Prysmian** which is flourishing on the back of increasing power demand.

Gearing
Our net borrowings as at 31 May 2024 were £55.4 million (2023: £76.5 million), representing net gearing of 8.4% (2023: 8.9%). The gross gearing drawn down under the Company's loan facility was £60 million as at 31 August 2024, representing net gearing of 7.8% after offsetting cash held on deposit.

Outlook
The direction of interest rates is always an important factor for equity markets, determined in part at least by the rate of inflation. AI is a new productivity tool helping this trend. The US, where the most innovative AI-related technologies are developed is the biggest beneficiary, but all regions, including Europe, will profit from AI. However, it is unlikely to reverse the pattern of the last twenty years, or more: Europe has been a structurally lower growth region than North America and Asia. The economic cost of decarbonisation in Europe, which is being pursued with a zeal unmatched elsewhere in the world is also a major constraint. With European politics in turmoil, investor sentiment regarding Europe is not good. The tide is going out with money funds flowing out of European equities.



Source: Bloomberg, in GBP, 11.09.24. 3-year expected EPS: Bloomberg data for index, Devon data for expected EPS growth in portfolio companies.

However we are confident that our investment style can overcome this difficult backdrop. Our investee companies typically have strong balance sheets and global exposure, protecting downside risk. Our focus on IP rich, high value-added, innovative companies means that the portfolio is well placed to deliver upside for our shareholders. The earnings record of the fund shows that earnings per share (EPS) of our investee companies have grown faster than the average of the Benchmark over the last five years and our forecasts for the next three years suggest this will continue. We will provide further updates on performance in the coming year, which we look forward to with confidence.

Alexander Darwall
Devon Equity Management Limited
19 September 2024

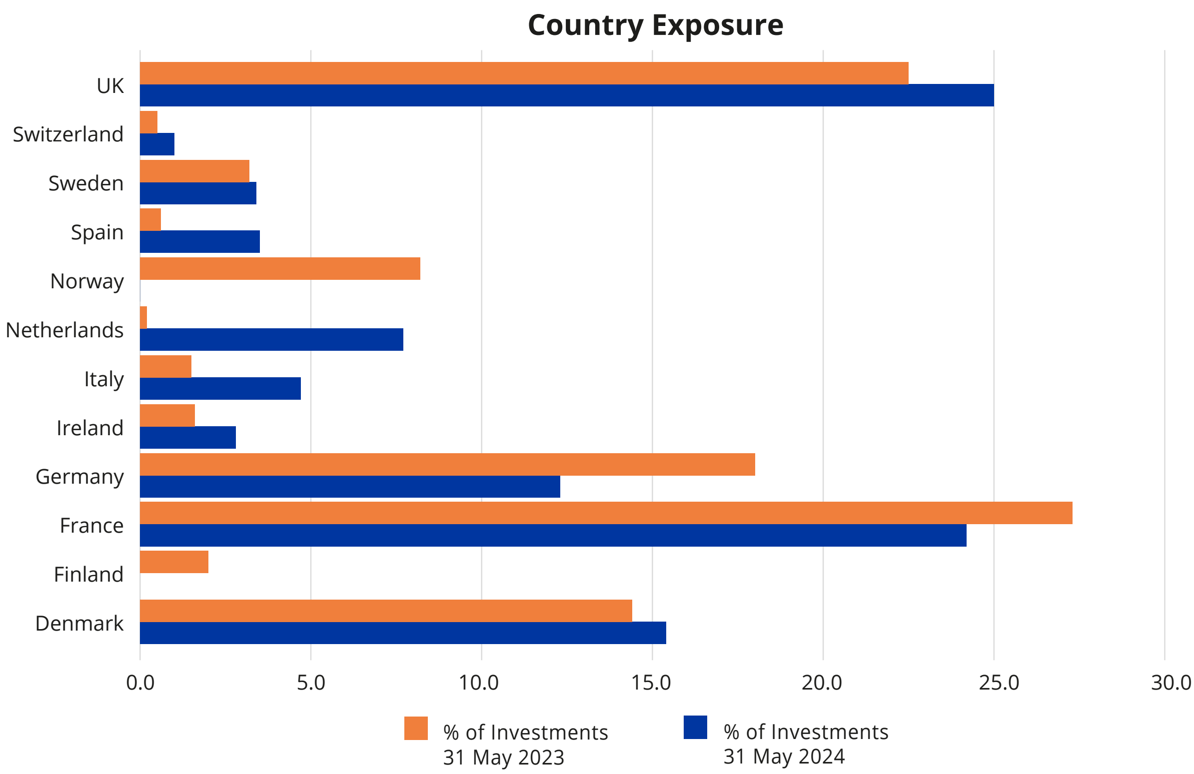
INVESTMENT PORTFOLIO
as at 31 May 2024

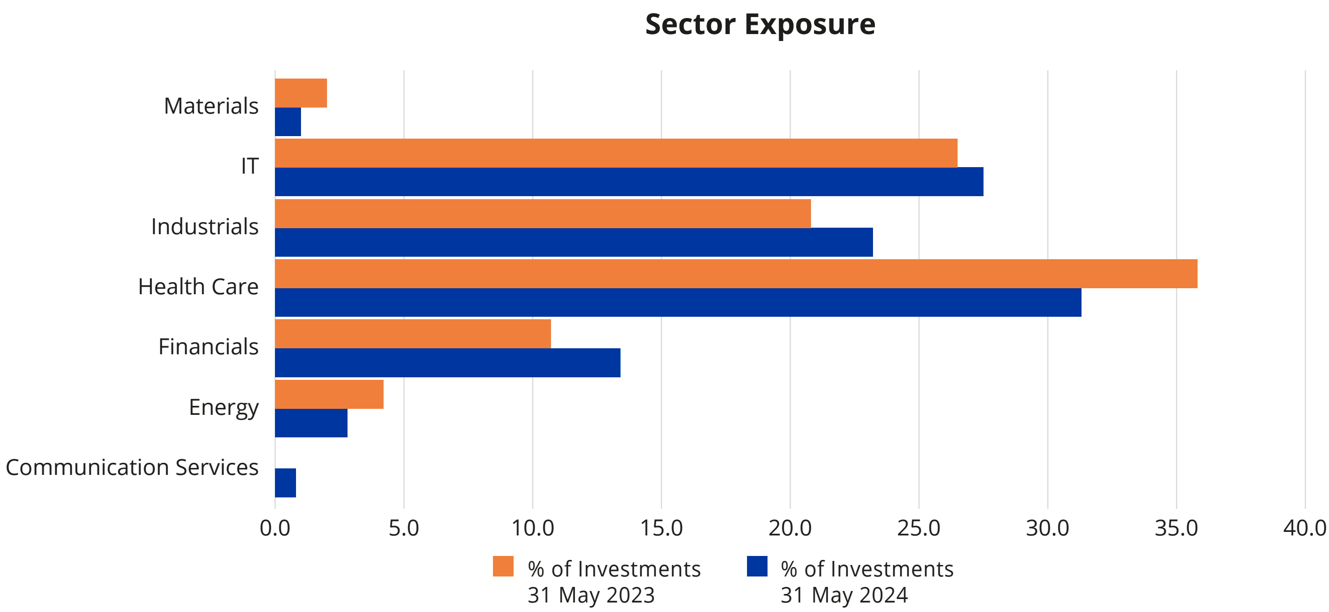
Company	Market Value £'000	Portfolio weight/%	Benchmark weight/%	Price 12* months/%	Relative* Contribution to Portfolio return/%
Novo Nordisk	**100,780**	**14.2**	**3.9**	**65.9**	**5.4**
RELX	**54,652**	**7.7**	**0.7**	**38.5**	**2.8**
Dassault Systèmes	*52,111*	*7.3*	*0.2*	*(10.3)*	*(1.0)*
Experian	**46,891**	**6.6**	**0.4**	**28.4**	**2.2**
Deutsche Boerse	42,863	6.0	0.3	14.6	1.0
Intermediate Capital Group	**39,270**	**5.5**	**–**	**73.4**	**2.9**
Genus	*33,799*	*4.8*	*–*	*(27.6)*	*(1.8)*
Infineon Technologies	32,898	4.6	0.5	6.1	0.4
Darktrace	**31,767**	**4.5**	**–**	**108.7**	**2.6**
Edenred	*31,553*	*4.5*	*0.1*	*(27.8)*	*(1.9)*
Prysmian	26,081	3.7	0.2	73.9	1.4
Camurus	23,941	3.2	–	85.7	1.1
BioMérieux	22,749	3.1	–	3.6	0.5
Grifols	*21,761*	*3.4*	*–*	*(14.7)*	*(0.6)*
Gaztransport et Technigaz	19,920	2.8	–	46.0	1.2
S.O.I.T.E.C.	19,786	2.8	–	(16.2)	(0.3)
Ryanair Holdings	19,585	2.8	–	21.9	0.4
Oxford Instruments	18,659	2.6	–	(9.2)	(0.2)
Thales	9,944	1.4	0.2	17.1	0.1
Genmab	8,871	1.2	0.2	(29.6)	(0.4)
Worldline	*8,782*	*1.2*	*–*	*(68.0)*	*(0.7)*
BFF Bank	7,403	1.0	–	12.6	0.1
BAE Systems	6,957	1.0	0.5	35.0	0.1
Air Liquide	6,923	1.0	0.9	15.8	0.1
Bachem	6,906	1.0	–	(16.2)	0.0
Grenke	6,660	0.9	–	(21.6)	(0.2)
CTS Eventim	5,450	0.8	–	31.3	0.1
Grifols (preference shares)	2,936	0.4	–	31.3	0.1
Total	**709,898**	**100.0**			

* Price performance and relative contribution to portfolio returns have been calculated on a total return basis by reference to each portfolio transaction. Over the period from close on 31 May 2023 to 31 May 2024. These calculations include the impact of foreign currency rates and are based on Bloomberg securities and FX pricing sources and Bloomberg's estimation of the portfolio's total market value. Relative contribution to portfolio return is measured against the MSCI Europe total return index in GBP. Source: Devon, Bloomberg.

The five largest contributors to performance relative to the Benchmark are highlighted in bold and the five largest detractors are highlighted in italics.

CLASSIFICATION OF INVESTMENTS





STRATEGIC REPORT

The Strategic Report has been prepared in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The Strategic Report seeks to provide shareholders with the relevant information to enable them to assess the performance of the Directors and the Company during the financial year under review as per the requirements for Directors in the Companies Act 2006.

Business and Status
During the year, the Company carried on business as an investment trust with its principal activity being portfolio investment. The Company has been approved by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the eligibility conditions of sections 1158 and 1159 of the Corporation Tax Act 2010 and the ongoing requirements for approved companies as detailed in Chapter 3 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011. In the opinion of the Directors, the Company has conducted its affairs in the appropriate manner to retain its status as an investment trust.

The Company is an investment company within the meaning of section 833 of the Companies Act 2006. It is not a close company within the meaning of the provisions of the Corporation Tax Act 2010 and it has no employees. The Company is domiciled in the United Kingdom, was incorporated in England & Wales on 16 August 2000 and started trading on 20 November 2000. The Company is an Alternative Investment Fund (AIF) for the purposes of the UK Alternative Investment Fund Managers Regulations.

Reviews of the Company's activities are included in the Chair's Statement and the Investment Manager's Review beginning on pages 4 and 8, respectively. There has been no significant change in the activities of the Company during the year to 31 May 2024 and the Directors anticipate that the Company will continue to operate in the same manner during the current financial year.

Investment policy
The Company will, at all times, invest and manage its assets, with the objective of spreading risk and in accordance with the following Investment Restrictions:

- no single holding shall constitute more than 10% of the Company's total assets (calculated at the time of investment). The Board will pay particular attention to holdings which grow to represent more than 10% of total assets;
- the Company will not invest in unlisted securities;
- the Company will not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes;
- the Company will not invest in other listed closed-ended investment funds;
- the Company shall not take legal or management control over any investments in its portfolio; and
- not more than 50% of the Company's investments may be in securities which are not qualifying securities or government securities for the purposes of the UK ISA Regulations.

The Board is responsible for promoting the long-term success of the Company for the benefit of all stakeholders and in particular its shareholders. Although the majority of the day-to-day activities of the Fund are delegated to the Investment Manager and third-party service providers, the responsibilities of the Board are set out in the schedule of matters reserved for the Board and the relevant terms of reference of its Committees, all of which are reviewed regularly by the Board.

To ensure that the Board is able to discharge this duty, both the Investment Manager and third-party service providers are required to provide the Board with regular updates. In addition, the Directors, or the Board as a whole, have the authority to seek advice from professional advisers including the Company's service providers and independent external advisers as well as attend any relevant training seminars.

Any material change in the investment policy of the Company described above may only be made with the approval of shareholders by an ordinary resolution.

Investment Approach

The Investment Manager adopts a stock picking approach in the belief that a thorough analysis and understanding of a company is the best way to identify long-term superior growth prospects. This understanding begins with identifying those companies where the ownership structure and incumbent management are conducive to the realisation of the aim of achieving superior long-term earnings growth.

The Investment Manager seeks to identify companies which enjoy certain key business characteristics including some or all of the following:

- a strong management record and team, and the confidence that the Investment Manager has in that management's ability to explain and account for its actions;
- proprietary technology and other factors which indicate a sustainable competitive advantage;
- a reasonable expectation that demand for their products or services will enjoy long-term growth;
- an understanding that structural changes are likely to benefit rather than negatively impact that company's prospects; and
- the ESG criteria described below.

In analysing potential investments, the Investment Manager employs differing valuation techniques depending on their relevance to the business characteristics of a particular company. However, the underlying feature will be the sustainability and growth of free cash flow in the long term.

Portfolio risk

Portfolio risk is mitigated by investment in a diversified spread of investments. The Investment Manager is not constrained by Benchmark weightings, sector, geographical location within Europe or market capitalisation or size of investee companies.

Benchmark index

The Company's Benchmark is the total return on the MSCI Europe index in GBP.

Borrowing limits

The Board considers that long-term capital growth can be enhanced by the use of gearing through bank borrowings. The Board considers that the Company's level of gearing should be maintained at appropriate levels, with sufficient flexibility to enable the Company to adapt at short notice to changes in market conditions.

The Board oversees the level of gearing in the Company and reviews the position with the Investment Manager on a regular basis. In normal circumstances the Board does not expect the level of gearing to exceed 20% of the Company's total assets (calculated at the time of borrowing).

Environmental, Social and Governance considerations

The Board considers Environmental, Social and Governance ('ESG') and sustainability risks to be an important element to be integrated into the Company's investment decisions. It has instructed Devon to take ESG risk considerations into account in both the discretionary management of the Company's investment portfolio and in its ongoing engagement with investee companies.

Devon's primary objective is to produce superior financial returns for the Company's shareholders. High standards in sustainability and efficiency make good business sense and have the potential to protect and enhance investment returns.

STRATEGIC REPORT continued

The Board has not established formal sustainability investment goals for the Company, nor has it mandated Devon to implement automatic exclusion criteria for certain categories of investee companies. Nevertheless, Devon's investment decision-making process and ongoing risk monitoring integrate the assessment of potential and actual sustainability risks and opportunities for all investee companies.

Devon's investment team constructs a comprehensive business case for each investee company in the portfolio. As part of its due diligence, the team analyses the value chain for each investee company, seeking to identify any involvement in industries deemed to be high risk through production, distribution, or related practices which could harm the business case for the investment.

The factors considered vary depending on the type of investee company being assessed. These may include:

- Corporate governance (including board structure, executive remuneration, tax compliance, track record of capital allocation, management incentives, labour relations);
- Shareholder's rights (including election of directors, capital amendments);
- Change of regulation (including greenhouse gas (GHG) restrictions, governance codes);
- Physical threats (including extreme weather, climate change, water shortage);
- Brand and reputation issues (including poor health and safety record, cyber security breach);
- Supply Chain Management (including increase in fatalities, labour relations);
- Work practices (including observation of health, safety and human rights provisions and compliance with provisions with the Modern Slavery Act); and/or
- Alignment with the goals of the Paris Agreement (to meet net zero GHG emissions by 2050).

Devon's approach focuses on targeted dialogue, active governance, and collaborative efforts to ensure the alignment of investee companies, while also upholding the fiduciary responsibilities to their clients.

Stewardship and engagement
By engaging with investee companies, Devon seeks to foster constructive relationships, inform investment decisions, and drive positive change within the portfolio with the expectation of enhancing shareholder returns. Specifically, Devon's concentrated, long-term approach to investment facilitates meaningful engagement on culture, governance, and sustainability issues with the management of investee companies. This enables them to:

- address concerns through dialogue;
- gain insights into proposed remedial actions; and
- influence behaviour and advocate best practices for long-term success.

Matters that have been raised through engagement include: remuneration policies, board composition, workforce engagement, shareholder and voting structures, diversity strategy, health and safety, energy transition, capital allocation, sustainability strategy, labour and human rights, and climate change mitigation efforts.

For example, during the financial year under review, Devon engaged successfully with **Bachem**. Following two material events, we felt the company's communication with the market could be improved. Devon engaged with the company on this issue, emphasising that timely and widespread dissemination of material information was critical to ensure both confidence in the management team and protect minority shareholder interests. The management team were receptive to Devon's representations, and Devon has recognised an improvement in their communication with the market.

Another example, during the financial year in review, was Devon's engagement with the management of **Oxford Instruments**. Devon had two principal concerns. One was the CEO's lack of formal science expertise, a consideration for the leadership of a science driven company. The second concern was the complexity of the way in which the group presented its operations. The senior management of Oxford Instruments was happy to address Devon's concerns. Devon was reassured and fully satisfied with their response on both points. On the first, the company explained that they have a science advisory committee to support the CEO and other senior management. In response to the second point, management announced a new, simplified divisional structure which has hugely improved the quality of communicating the group's business. Moreover, the recent capital market's day, the first in many years, was an excellent opportunity to see one of the big new facilities, see demonstrations of some of the company's tools, and meet more senior management. Devon welcomes the improved transparency and engagement.

Voting at investee company meetings
In addition to direct engagement, the Board has given discretionary voting powers to Devon and, wherever practicable, Devon will exercise all voting rights associated with the shares held in the Company's portfolio. A report of all votes cast on the Company's behalf during the financial year under review may be viewed on Devon's website at www.devonem.com.

Policies and transparency

Devon has published several policy statements that guide its management of the Company's investment portfolio. These include its:

- **ESG Policy:** This policy outlines Devon's approach to Environmental, Social and Governance factors in their investment process. It highlights the commitment to considering ESG risks and opportunities and integrating them into their decision-making and engagement with investee companies.

- **Sustainability Risk Policy:** This policy addresses the identification, assessment and management of sustainability risks within Devon's investment activities. It ensures that sustainability risks are duly taken into account and monitored to safeguard long-term performance.

- **Remuneration Policy:** This policy is designed to comply with the requirements of applicable FCA regulations and governs Devon's remuneration practices for its staff. It aligns with sustainability considerations and aims to support Devon's overall objectives.

- **Voting and Engagement Policy:** In accordance with the Shareholder Rights Directive (SRD) II requirements, this policy outlines Devon's approach to engaging with investee companies and exercising their voting rights as shareholders. It also includes the annual disclosure of votes cast, demonstrating Devon's commitment to transparency.

- **SFDR & SDR Disclosures:** Devon complies with the reporting obligations set forth by the Sustainable Finance Disclosure Regulation (SFDR), the UK's Sustainability Disclosure Requirements (SDR) and the FCA's 'anti greenwashing' and 'naming and marketing' rules. It provides disclosures related to sustainability and environmental considerations as required by these regulations.

STRATEGIC REPORT continued

In publishing these policies, Devon seeks to demonstrate its commitment to transparency, responsible investment practices and compliance with regulatory requirements. These policy statements, along with associated disclosures, can be downloaded from www.europeanopportunities.com or via this QR code:

Planned life of the Company
The Articles of Association of the Company provide that at every third Annual General Meeting, an ordinary resolution be proposed that the Company shall continue as an investment trust. The next scheduled continuation vote will be at the 2026 Annual General Meeting. If such resolution is not passed, the Directors shall, within 90 days of the date of the resolution, put forward to shareholders proposals (which may include proposals to wind up or reconstruct the Company) whereby shareholders are entitled to receive cash in respect of their shares equal as near as practicable to that which they would be entitled on a liquidation of the Company at that time (and whether or not shareholders are offered other options under the proposals).

Shareholders should note that the valuation policies used to produce these Accounts on a going concern basis might not be appropriate if the Company were to be liquidated.

Dividend policy
The Company's objective is to achieve shareholder returns through capital growth rather than income. However, in order to qualify for approval as an investment trust, the Company is not permitted to retain more than 15% of eligible investment income arising during any accounting period. Accordingly, the Board's policy is to propose an annual dividend which is at least sufficient to enable the Company to maintain its investment trust status.

Management
The Company has no employees and most of its day-to-day responsibilities are delegated to the Investment Manager.

J.P. Morgan Europe Limited acts as the Company's depositary and the Company has entered into an outsourcing arrangement with J.P. Morgan Chase Bank N.A. for the provision of accounting and administration services.

Although Devon Equity Management Limited is named as the Company Secretary at Companies House, J.P. Morgan Europe Limited provides all company secretarial services to the Company as part of its formal mandate to provide broader fund administration services to the Company.

Viability statement
In accordance with the Code of Corporate Governance issued by the Association of Investment Companies (AIC) in February 2019 (the 'AIC Code'), the Board has assessed the longer-term prospects for the Company beyond the twelve months required by the going concern basis of accounting. The period assessed is the five years to 31 May 2029.

The Directors' view of the Company's viability has not changed since last year. The Company, as an investment trust, is a collective investment vehicle rather than a commercial business venture and is designed and managed for long-term investment. The Company's investment objective is to achieve long-term capital growth and the Board regards the Company's shares as a long-term investment. 'Long-term' for this purpose is considered by the Directors to be at least five years, a timeframe in which the accuracy of estimates and assumptions is deemed to be reasonable. The Company's viability has thus been assessed over that period. Five years is considered a reasonable time frame for a forecast, however, the life of the Company is not intended to be limited to that or any other period.

In assessing the viability of the Company under various scenarios, the Directors undertook a robust assessment of the principal risks and uncertainties to which it is exposed (including the issues arising from Russia's invasion of Ukraine, the war in Gaza and climate change), together with mitigating factors. These are described in further detail on page 24. The risks of failure to meet the Company's investment objective, and contributory market and investment risks, were considered to be of particular importance. The Directors also took into account: the investment capabilities of Devon; the liquidity of the portfolio, with nearly all investments being listed and readily realisable; the Company's borrowings (the Company maintains a relatively low level of gearing and has at all times been comfortably compliant with its loan to value and other covenant obligations to its lender, The Bank of Nova Scotia, London Branch); the ability of the Company to meet its liabilities as they fall due; the Company's annual operating costs and that, as a closed ended investment trust, the Company is not affected by the liquidity issues of open-ended companies caused by large or unexpected redemptions.

In taking account of these factors and pursuant to the Board's review of the detailed internal controls and risk management processes described on page 43, the Directors have undertaken a reverse stress test seeking to identify the financial circumstances that might result in the Company becoming unviable. This concluded that the viability of the Company might start to be challenged if the value of the Company's net assets were to fall permanently by approximately 80% from the level at the year end, a fall that the Board considers to be near implausible having noted that since the launch of the Company in November 2000, the largest fall in the Company's Benchmark, the total return on the MSCI Europe index, over any calendar year has been 34.4% and the largest fall over any rolling five year period has been 14.5% (each based on Benchmark calendar month end values).

As part of its assessment, the Board has noted that shareholders are required to vote on the continuation of the Company at three-year intervals, the next vote being at the 2026 Annual General Meeting.

Based on the above, and assuming there is no adverse change to the regulatory environment and tax treatment of UK investment trusts to the extent that would challenge the viability of the UK investment trust industry as a whole, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of assessment.

The Directors' assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement in the Directors' Report on page 34.

Key Performance Indicators

At the quarterly Board meetings, the Directors consider a number of performance indicators to help assess the Company's success in achieving its objectives.

The Board monitors the Company's performance in relation to both the investment trust market as a whole and the companies within the geographical sector which the Board considers to be its peer group. There were 7 investment trusts in the AIC Europe sector as at 31 May 2024. The key performance indicators used to measure the performance of the Company over time are as follows:

STRATEGIC REPORT continued

Share price total return

to 31 May 2024	1 year (%)	3 years (%)	5 years (%)	10 years (%)
The Company	16.5	21.9	13.4	109.3
MSCI Europe index, total return in GBP (Benchmark)	17.3	28.4	57.0	114.2
AIC Europe peer group[1]	18.9	25.0	73.6	169.3

Net asset value total return

to 31 May 2024	1 year (%)	3 years (%)	5 years (%)	10 years (%)
The Company	15.5	23.4	25.0	137.0
MSCI Europe index, total return in GBP (Benchmark)	17.3	28.4	57.0	114.2
AIC Europe peer group[1]	16.9	24.4	69.6	163.8

(Discount)

As at 31 May	2024 (%)	2023 (%)	2022 (%)
The Company	(10.2)	(10.9)	(12.3)
AIC Europe peer group[1]	(6.7)	(8.3)	(10.3)

Ongoing charges ratio

For the year ended 31 May	2024 (%)	2023 (%)	2022 (%)
The Company	0.97	1.02	1.02
AIC Europe peer group[1]	0.81	0.88	0.85

[1] The AIC Europe peer group data is available at www.theaic.co.uk.

Discount to net asset value
The Company's discount management policy is described in the Chair's Statement on page 5.

Under the Listing Rules, the maximum price that may currently be paid by the Company on the repurchase of shares is 105% of the average of the middle market quotations for the shares for the five business days immediately preceding the date of repurchase. The minimum price is the nominal value of the shares. Any repurchase made will be at the discretion of the Board, considering prevailing market conditions and within guidelines set from time to time by the Board, the Companies Act, the Listing Rules and the Disclosure, Guidance and Transparency Rules of the FCA.

Treasury Shares
In accordance with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, any shares repurchased, pursuant to the above buy back authority, may be held in treasury. These shares may subsequently be cancelled or sold for cash. This gives the Company the ability to reissue shares quickly and cost effectively and provide the Company with additional flexibility in the management of its capital. The Company may hold in treasury any of its shares that it purchases pursuant to the share buyback authority granted by shareholders.

Shares held in treasury may only be reissued by the Company at prices representing a premium to the net asset value per share as at the date of re-issue.

Principal risks and Uncertainties

In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness. The Board, with the support of the Audit & Risk Committee and the Investment Manager, has carried out a robust assessment of the principal and emerging risks which may impact the Company. The principal risk factors that may affect the Company and its business can be divided into the following areas:

Risk and Impact	How the risk is managed	Change	Current assessment of risk
Investment Strategy Key risks and uncertainties include: (a) poor investment performance over an extended period relative to Benchmark; (b) the sudden departure of Alexander Darwall and/or a key staff member at Devon; (c) the development of a significant discount to net asset value in the Company's shares; (d) the risk of non-compliance with the UK Consumer Duty regulations, including failure to properly align the Company to the needs, objectives, characteristics and vulnerabilities of its identified target market; and (e) the risk of the Company's shareholders voting to discontinue the Company.	The Board reviews the Company's investment objective and policies and the Investment Manager's investment approach in the context of past performance (relative to Benchmark), shareholder feedback and broader market and economic conditions. The Board sets mandate restrictions as necessary. The Board reviews the long-term succession plans prepared by the Investment Manager and takes into consideration the availability of suitably experienced personnel to manage the Company's portfolio in the short-term in the event of an emergency. The Board has established a discount management policy and regularly considers its ongoing appropriateness in light of market conditions. In addition to seeking annual shareholder approval to its share buy-back authority, the Board also puts a continuation vote to every third AGM of the Company (the next scheduled to take place at the 2026 AGM). The Board has also committed to a 25% tender offer in the event that NAV total return does not exceed the total return of the Benchmark over the three years to 31 May 2026.	→	**Stable:** The Company's shares have traded at a narrower average discount during the year than in 2023, albeit slightly above the Board's target of single digits in normal market conditions (10.2% in 2024, 14.4% in 2023). The Board has implemented a number of discount management initiatives, as described in the Chair's Statement on page 5. During the year under review the NAV total return was 15.5%, slightly behind the Company's Benchmark total return of 17.3%.
Market risks The Company's assets consist of listed securities and its principal financial risks are therefore market related. Key risks and uncertainties include: (a) the impact of macroeconomic and geopolitical conditions on the Company's investments; (b) volatility in the market prices of the Company's investments; and (c) the risk of fraudulent activity at the portfolio company level impacting the valuation of their issued securities and causing the risk of a loss of confidence in the Company.	To mitigate this risk the Board considers various portfolio metrics including individual stock performance, the composition and diversification of the portfolio by industry sector, purchases and sales of investments, the holding period of each investment and the contributors and detractors to performance. Devon provides rationale for stock selection decisions. The Board also considers the macro-economic and geopolitical risks and uncertainties that the Company is exposed to.	→	**Stable:** The risk is seen to be high, but stable since 2023. The Company's investment portfolio has shown resilience despite the challenging macro environment. Devon continues to adopt a diversified approach to portfolio construction within the concentration limits determined by the Board.

STRATEGIC REPORT continued

Risk and Impact	How the risk is managed	Change	Current assessment of risk
	The Company does not take active positions in currencies, nor does it invest in fixed income securities. Devon mitigates liquidity risk by investing in a diversified portfolio of highly liquid, exchange-traded equities and by adhering to the Board's concentration limits on individual holdings. The Board has set a policy that the Company will not invest in unlisted securities. Devon does not invest in countries which are subject to sanctions or exposed to significant political risk.		
Operational Risks Key risks and uncertainties include: (a) a cybercrime event or an IT systems failure which compromises the Company's data or the Investment Manager's ability to manage the Company's portfolio; (b) inadequacy of disaster recovery planning to ensure continuity of the Investment Manager's operations; or (c) the inadequacy of the oversight and controls undertaken by the Custodian or Devon in relation to the Company.	The Board relies on the cyber security and IT risk management tools implemented by the Investment Manager and the Custodian to prevent cyber-attacks. The Investment Manager uses a well-established third-party IT system (Bloomberg) for all trading activity on behalf of the Company. The Board is reliant on the Investment Manager and its key third-party service providers to ensure that appropriate measures are in place in order that critical operations can be maintained at all times. The Investment Manager is aligned with the Operational Resilience requirements set out by the FCA and regularly tests its business continuity capabilities. The Board considers the internal controls of the Investment Manager and all key third-party service providers on at least an annual basis. System-enforced controls are in place in each case which alert staff in oversight and compliance roles of any breaches. Similarly, 'Four eye' checks are mandated for all manual controls to ensure that there is sufficient oversight over actions taken.	→	**Stable:** The Board has reviewed the performance of the Company's service providers during the year and has approved their continuing appointment. There have been no material operational issues that have impacted the Company during the year.

Risk and Impact	How the risk is managed	Change	Current assessment of risk
Legal and Regulatory Risks Key risks and uncertainties include: (a) the risk of non-compliance with existing regulatory or legal requirements, including resultant negative PR implications; (b) adverse implications of regulatory change; or (c) changes to the Company's policies and reporting obligations in relation to sustainability and ESG risks.	The Board relies on the services of the Investment Manager, its broker, its legal advisers and J.P. Morgan Europe Limited to report changes in and to ensure compliance with all applicable laws and regulations including the Companies Act 2006, the Listing Rules and the Alternative Investment Fund Managers Regulations. The Audit & Risk Committee reviews the performance of the external Auditors and the effectiveness of the independent audit process on an annual basis. The experience of the Auditors in financial accounting and auditing standards is reviewed to ensure that changes in audit standards are anticipated, understood and complied with. The Board is reliant on the Investment Manager to ensure that appropriate measures are in place to ensure that its approach to ESG investing is appropriately defined and adhered to. Legal and regulatory changes are monitored at each Board meeting and compliance with the AIC Code is fully considered annually.	→	**Stable:** All control procedures are working effectively. There have been no material legal or regulatory changes that have impacted the Company during the year.

Emerging Risks
Emerging risks that could impact the Company in the future are considered at each Board meeting, along with any potential mitigating actions. Artificial Intelligence, the ongoing global conflicts (and the resulting economic uncertainty), the outcome of political elections in Europe and the United States and climate change each pose emerging risks to the Company beyond the principal risks described above. While these risks currently exist, their extent and long-term impact are yet to emerge. They are assessed by the Investment Manager and the Board on a continuing basis and embedded into Devon's investment process. The Company has no exposure to investee companies in Russia or Ukraine.

The Investment Manager seeks to ensure that individual stocks in the Company's portfolio meet an acceptable risk/reward profile by reference to both principal and emerging risks.

Effectiveness of internal controls
In accordance with the AIC Code, the Board has carried out a review of the effectiveness of the system of internal control as it has operated over the year and up to the reporting date of this Annual Report and Accounts.

Directors
Biographical details of the Directors can be found on page 30 and the Board's policy on diversity can be found on page 38.

Modern Slavery statement
The Modern Slavery Act 2015 requires certain companies to prepare a slavery and human trafficking statement. The Company does not fall within the scope of the Modern Slavery Act and therefore no slavery and human trafficking statement is included in the Annual Report.

STRATEGIC REPORT continued

The Board nevertheless requires regular confirmation from each of its third-party suppliers, at least once a year, of their compliance with the UK Modern Slavery Act. The Board also requires each supplier to have sufficient measures in place to align with the requirements outlined in the Bribery Act 2010 and the Criminal Finances Act 2017. Specifically, the Company has obtained assurances from each of its primary suppliers that they adhere strictly to a zero-tolerance policy regarding the provision of services that would contravene The Modern Slavery Act, the Bribery Act or the Criminal Finances Act.

Section 172 statement

Under section 172 of the Companies Act 2006, the Directors have a duty to act in the way they consider, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with its stakeholders which includes its shareholders, service providers such as the Investment Manager, AIFM and other relevant parties as listed below;
- the need to act independently by exercising reasonable skill and judgement;
- the impact of the Company's operations on the community and the environment;
- the requirement to avoid a conflict of interests;
- the desirability of the Company maintaining a reputation for high standards of business conduct;
- the need to act fairly between members of the Company; and
- the need to declare any interests in proposed transactions.

As an investment trust, the Company has no employees, customers or physical assets; its stakeholders include its shareholders and its service providers, including its Investment Manager, Depositary, Custodian, Registrar, Auditors, Broker and Administrator, each as identified on page 83.

The Board considers that the interests of the Company's key stakeholders are aligned, in terms of wishing to see the Company deliver sustainable long-term capital growth, in line with the Company's stated objective and strategy, and meet the highest standards of legal, regulatory, and commercial conduct, with the differences between stakeholders being merely a matter of emphasis on those elements.

The Board believes that the optimum basis for meeting its duty to promote the success of the Company is by appointing and managing third parties with the requisite performance records, resources, infrastructure, experience and control environments to deliver the services required to achieve the investment objective and successfully operate the Company. By developing strong and constructive working relationships with these parties, the Board seeks to ensure high standards of business conduct are adhered to at all times and service levels are enhanced whenever possible. This combined with the careful management of costs is for the benefit of all shareholders who are also key stakeholders.

Whilst the Company's operations are limited, as third-party service providers conduct all substantive operations, the Board is aware of the need to consider the impact of the Company's investment strategy and policy on wider society and the environment. The Board considers that its oversight of ESG matters is an important part of its responsibility to all stakeholders and that proper consideration of ESG factors sits naturally with the Company's longstanding aim of providing a sustainable basis for adding value for shareholders. Further details on the Investment Managers' approach to stewardship and examples of engagement are provided on page 19.

The remaining sections of this Strategic Report titled 'Relations with the Investment Manager,' 'Engagement with Shareholders', 'Board activities' and 'Principal decisions taken during the year under review' form part of this Section 172 Statement.

Relations with the Investment Manager
Alexander Darwall, CIO of Devon, continues to be responsible for the portfolio management of the Company on behalf of Devon, supported by Luca Emo Capodilista, Charlie Southern, James Bird and Angus Denison-Smith within Devon's investment team.

As AIFM, Devon has responsibility for additional risk oversight in accordance with the requirements of applicable law. The Board regularly meets with Devon and pays particular attention to the control procedures and processes in place at Devon, to ensure that its duties for the Company continue to be handled with the appropriate level of resource and professionalism.

The portfolio activities undertaken by the Investment Manager and the impact of decisions taken are described in the Investment Manager's Review on page 8. Further information on the annual evaluation of the Investment Manager is set out under 'Management Engagement Committee' on page 41.

Engagement with shareholders
The Directors place great importance on engagement with shareholders. The Company reports to shareholders twice a year by way of the Half-Yearly Financial Report and the Annual Report and Accounts. In addition, net asset values are published daily and newsletters are published monthly on the Company's website, www.europeanopportunities.com. Key decisions are announced to the London Stock Exchange through the Regulatory News Service.

The Company holds an Annual General Meeting which all shareholders are invited to attend, and this provides an open forum for them to discuss issues and matters of concern with the Board and representatives of the Investment Manager and the Company's advisors.

In accordance with the AIC Code, in the event that votes of 20% or more are cast against a resolution at a General Meeting the Company will announce the actions it intends to take to consult with Shareholders to understand the reasons behind the result. A further update will be published within six months. Actions taken in response to such votes received during the year ended 31 May 2024 are set out in the Chair's Statement on page 6.

The Board seeks to ensure that shareholder views are taken into consideration as part of any decisions taken by the Board. The Chair actively seeks to engage directly with shareholders and has attended a number of meetings with investors during the year. Committee chairs also seek direct engagement with shareholders on specific matters relating to their area of responsibility. The Investment Manager and the Company's brokers also engage with the Company's shareholders and the outcome of these discussions are reported to the Board.

Shareholders are invited to communicate with the Board through the Chair, any Committee Chair or the Company Secretary, as appropriate. Alternatively, issues can be discussed with the Company's Senior Independent Director, who can be contacted at the Company's registered office address detailed on page 83.

Board activities
The Board ensures that the Directors are able to discharge their duties by, amongst other things, providing them with relevant information and training on their duties. At all times, the Directors can access as a Board, or individually, advice from its professional advisers including their lawyers and Auditors.

Whilst certain responsibilities are delegated, the Board has established terms of reference for its Committees which are reviewed regularly by the Board. The structure of the Board and its Committees and the decisions it makes are underpinned by the duties of the Directors under the Companies Act, 2006 and the provisions of the AIC Code. The Board has set the parameters within which the Investment Manager operates and these are set out under the terms of the investment management agreement and within the minutes of corresponding Board meetings.

Principal decisions taken during the year under review
The Directors take into account section 172 considerations in all material decisions of the Company. Examples of how the Company's stakeholders were considered in relation to the principal decisions taken by the Board during the year under review (and post year-end) include:

STRATEGIC REPORT continued

- **Succession planning**: The Board, acting on recommendations from the Nomination Committee and an independent search agent, appointed a new independent non-executive Director, Neeta Patel, with effect from 1 January 2024.

- **Leadership:** Lord Lamont was appointed Senior Independent Director in November 2023. Jeroen Huysinga will take over as Senior Independent Director and Manisha Shukla will take over as chair of the Remuneration Committee with effect from Lord Lamont's retirement at the forthcoming Annual General Meeting.

- **Gearing:** On 6 September 2024 the Board entered into a new £85 million loan facility with The Bank of Nova Scotia, London Branch. In order to manage the cost of borrowing the new loan facility includes a floating charge in favour of The Bank of Nova Scotia, London Branch, in relation to amounts drawn down. The loan facility will enable the Investment Manager to implement the Company's stated gearing policy, as further described in the section entitled 'Borrowing limits' on page 18. It is hoped that through the careful use of gearing, the Investment Manager can enhance shareholder returns.

- **Discount management:** During the year under review the Board has continued to engage with shareholders and the Company's broker in relation to the Company's share price discount to NAV. When prudent, the Company has bought back shares from the market in order to narrow the discount and reduce share price volatility relative to the NAV.

- **Tender offer:** Following consultations with shareholders and the Board's professional advisers in January 2024, the Board implemented a tender offer for 25% of the Company's shares in issue at a price close to NAV. The tender offer was fully subscribed, enabling shareholders to realise a portion of their holdings at prices in excess of the then prevailing market price. Further details are contained in the Chair's Statement.

- **Conditional tender offer:** Again, following consultations with shareholders and the Board's professional advisers, in October 2023 the Board announced its intention to offer an additional tender offer for up to 25% of the shares in issue in the event that the total return on the NAV per share over the three years to 31 May 2026 does not exceed the total return on the Company's Benchmark.

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

Future developments of the Company
The outlook for the Company for the next 12 months is set out in the Chair's Statement beginning on page 4 and the Managers' Report beginning on page 8. It is the Board's ambition to grow the asset base of the Company through a combination of organic growth and new issuance of shares (where there is an opportunity to do so at a premium to NAV). The Investment Manager is encouraged to use the particular advantages of the Company's investment trust structure to enhance potential returns to shareholders, including the use of gearing and the freedom to hold high conviction positions through periods of market fluctuations.

For and on behalf of the Board

Matthew Dobbs
Chair
19 September 2024

THE BOARD OF DIRECTORS

The Directors of the Company who were in office during the year under review and up to the date of signing of these Accounts in the current financial year were:

Matthew Dobbs
A Director since: 1 September 2021
(Chair of the Board)
Matthew Dobbs retired from Schroders in 2021 after a 40 year career, fulfilling a number of research and portfolio management responsibilities. His full-time investment management role included being head of Global Small Companies and he managed a number of specialist Asian closed and open-ended equity funds. He also sits on the board of the Asia Dragon Trust PLC as the senior independent director.

Sharon Brown
A Director since: 1 August 2019
(Chair of the Audit & Risk Committee)
Sharon Brown is a non-executive director and chair of the audit committees of The Baillie Gifford Japan Trust PLC and Celtic PLC. Between 1998 and 2013 she was finance director of Dobbies Garden Centres PLC and previously served as a non-executive director and chair of the audit committee of Fidelity Special Values PLC, CT UK Capital & Income Investment Trust PLC and McColl's Retail Group PLC. Ms Brown is a Fellow of the Chartered Institute of Management Accountants.

The Rt. Hon the Lord Lamont of Lerwick
A Director since: 24 June 2015
(Chair of the Remuneration Committee and Senior Independent Director)
Lord Lamont was Chancellor of the Exchequer from November 1990 to May 1993 and has been a member of the House of Lords since 1998. He was previously a director of NM Rothschild, Rothschild Asset Management, Chelverton UK Dividend Trust PLC and Jupiter Second Split Trust PLC.

Jeroen Huysinga
A Director since: 1 September 2021
(Chair of the Management Engagement Committee)
Jeroen Huysinga managed funds at JP Morgan Asset Management for 23 years until his retirement in 2020. He was formerly a managing director in JPMorgan's global equities team and, prior to joining JP Morgan, he was a Japanese equities specialist at Lombard Odier and, previously, at British Steel Pension Fund. He also sits on the board of the Brain and Spine Foundation as a director. Mr Huysinga completed a Master's Degree in Charity Finance and Administration at the Bayes Business School (formerly CASS) in 2021. Since then he has worked at Ethex, an impact investment platform, as Development Manager and a member of the Senior Management Team.

Manisha Shukla
A Director since: 1 September 2023

Manisha Shukla is a highly experienced legal adviser with over 20 years of specialisation in investment funds. She qualified as a solicitor in 2000 and has worked in both private practice and in-house, focusing on a broad range of closed-ended listed investment funds. She has been the knowledge counsel for funds for Travers Smith LLP since 2014. Manisha holds a joint LLB in Law and Japanese from Cardiff University.

THE BOARD OF DIRECTORS continued

Neeta Patel CBE
A Director since: 1 January 2024*

Neeta Patel is a highly experienced executive with over 35 years of strategy and operational leadership experience in technology, media, insurance and education sectors, as well as in start-ups and scaling companies. Her experience includes senior leadership roles at Legal & General PLC, ft.com (the Financial Times' website) and the British Council, the government's international education and cultural agency. More recently she was the founding CEO of the Centre for Entrepreneurs, a board adviser at Tech London Advocates, a member of the advisory board at City University Ventures and an entrepreneur mentor-in-residence at London Business School. Neeta is currently a non-executive director at Allianz Technology Trust PLC and at Albion Venture Capital Trust PLC.

Neeta was awarded a CBE in the Queen's honours list in October 2020 for services to entrepreneurship and technology.

Virginia Holmes
Virginia Holmes served as a Director until her retirement from the board at the AGM on 15 November 2023.

* Neeta Patel's appointment as a Director on 1 January 2024 is subject to election by shareholders at the forthcoming AGM.

DIRECTORS' REPORT

The Directors present the Annual Report and Accounts of the Company for the year ended 31 May 2024.

Company overview
The Company is incorporated in England & Wales as a public limited company. It is an investment company as defined in Section 833 of the Companies Act 2006 and its shares are admitted to the Official List and traded on the main market of the London Stock Exchange. The Company changed its name from Jupiter European Opportunities Trust PLC to European Opportunities Trust PLC on 14 November 2019.

The objective of the Company is to invest in securities of European companies and in sectors or geographical areas which are considered by the Investment Manager to offer good prospects for capital growth, considering economic trends and business development.

The Company operates as an investment trust in accordance with sections 1158 and 1159 of the Corporation Tax Act 2010 (as amended). The Company currently manages its affairs so as to be a qualifying investment trust under the Individual Savings Account (ISA) rules. As a result, under current UK legislation, the shares qualify for investment via the stocks and shares component of an ISA up to the full annual subscription limit, currently £20,000, in each tax year. It is the present intention that the Company will conduct its affairs so as to continue to qualify for ISA products.

Statement regarding the Annual Report and Accounts
The Board, with the support of the Audit & Risk Committee, has reviewed the Annual Report and Accounts of the Company for the year ended 31 May 2024 and considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. Further information is provided in the Strategic Review on page 17.

There were no instances where the Company is required to make disclosures in respect of Listing Rule 9.8.4 (which sets out information to be included in the annual reports and accounts of listed companies) during the financial year under review.

Disclosure of information to the Auditors
The Directors are not aware of any relevant audit information of which the Company's Auditors are unaware. The Directors also confirm that they have taken all the steps required of a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Results and dividend
The results for the year are set out in the Income Statement and the Statement of Financial Position on pages 60 and 61 and the Notes to the Accounts from page 64.

The Board recommends payment of a final dividend of 2.0p to shareholders at this year's Annual General Meeting. Subject to shareholder approval, the final dividend will be paid on 25 November 2024 to shareholders who are on the register at close of business on 8 November 2024 with an ex-dividend date of 7 November 2024.

Share capital
As at 31 May 2024 the Company's issued share capital consisted of 88,801,301 ordinary shares of 1 pence each, of which 23,709,517 were held in treasury. The total number of voting rights in the Company as at 31 May 2024 was 65,091,784. Since the financial year end, as at 9 September 2024, the Company had purchased a further 630,919 shares to be held in treasury.

All the Company's shares are fully paid and carry one vote per share. The shares carry no additional obligations or special rights. There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office. The Company has no employees and therefore does not have an employee share scheme.

DIRECTORS' REPORT continued

Notifiable interests in the Company's voting rights
In accordance with the FCA's Disclosure and Transparency Rules, the Company had been formally notified of the following substantial interests in the shares amounting to 3% or more of the voting rights held in the Company as at 31 May 2024:

Shareholder	Shares held at date of disclosure	% total voting rights as at 31 May 2024
1607 Capital Partners, LLC	8,472,338	13.0
Allspring Global Investments Holdings	7,379,912	11.3
Alexander Darwall	4,690,572	7.2
City of London Investment Management Company Limited	3,507,619	5.4

Directors
A list of the Directors of the Company and their biographies can be found on page 30. Virginia Holmes retired as a Director on 15 November 2023. Manisha Shukla was appointed on 1 September 2023 and Neeta Patel was appointed on 1 January 2024. All other Directors held office throughout the financial year.

The Board has adopted a policy that all Directors should stand for re-election on an annual basis in line with provision 7.2 of the AIC Code. The Board, with the support of the Nomination Committee, is satisfied that the performance of each of the Directors continues to be effective and is satisfied that each Director demonstrates commitment to their role. The Board recommends the re-election of each of the Directors (and election, in the case of Neeta Patel) at this year's Annual General Meeting.

Directors' remuneration and interests in the Company's shares
The Directors' Remuneration Report and Policy on page 46 provides information on the remuneration and shareholdings of the Directors.

Directors' and Officers' Liability Insurance and Indemnification
During the year under review the Company purchased and maintained liability insurance for its Directors and Officers as permitted by Section 233 of the Companies Act 2006.

The Company has indemnified each of its Directors to cover any liabilities that may arise to a third party, as defined by Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and at the date of approval of these Accounts.

Conflicts of Interest
Each Director has a statutory duty to avoid a situation where he/she has or might have a direct or indirect interest which conflicts or might conflict with the interests of the Company unless, in accordance with the Articles of Association, the relevant conflict or potential conflict has been authorised by the Board.

The Directors have declared all potential conflicts of interest with the Company. No Director holds:

- shared directorship of any commercial company with other Board members; or
- any other directorships of investment funds managed by the Investment Manager; or
- any shareholdings in the Investment Manager; or
- any current or historic employment by the Investment Manager or other connections to the Company or the Investment Manager; or

- a significant shareholding in companies where the Company has a notifiable stake in the same company or where the Company has a holding which amounts to more than 1% of the Company's portfolio.

Each Director must obtain the Board's approval prior to accepting any significant new appointment.

The register of potential conflicts of interests is reviewed regularly by the Board and each Director will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

In the year under review there have been no instances of a Director being required to be excluded from a discussion or abstain from voting because of a conflict of interest.

Bribery prevention policy
The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board takes its responsibility to prevent bribery very seriously. To aid the prevention of bribery being committed for the benefit of the Company, Devon has adopted a Bribery Prevention Policy. Devon will advise any changes to the policy to the Board. Directors are also required to declare any gifts or entertainment received in relation to their roles as Directors and these are entered on a gift register which is reviewed at quarterly Board meetings.

Management arrangements
Devon Equity Management Limited ('Devon') has acted as the Company's AIFM since 1 July 2022 and has been responsible for the Company's portfolio management since November 2019. Devon is entitled to aggregate management fees of 0.80% per annum of net assets up to £1 billion; 0.70% per annum on any net assets over £1 billion up to £1.25 billion; and 0.60% per annum on any net assets over this amount. No performance fee is payable to Devon.

J.P. Morgan Europe Limited acts as Depositary to the Company for cash monitoring, safekeeping of financial instruments and other assets and oversight. J.P. Morgan Europe Limited has entered into an internal delegation agreement with J.P. Morgan Chase Bank N.A. ('J.P. Morgan Chase') to delegate the custody functions to it.

Devon is named at UK Companies House as the Company Secretary to the Company. However, all day to day company secretarial and administration services are currently undertaken by J.P. Morgan Europe Limited.

Going concern
These accounts have been prepared on a going concern basis. The Board noted that the Company currently has access to a flexible loan facility with a maximum drawable amount of £85 million available until 6 September 2025. The Board, on recommendation from the Audit & Risk Committee, consider that this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have taken into account the Company's investment objective, risk management policies and capital management policies, the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments and the ability of the Company to meet all of its liabilities and ongoing expenses.

In determining the appropriateness of the going concern basis, the Directors gave particular focus this year to the operational resilience and ongoing viability of the Investment Manager and other key third-party suppliers in light of the economic uncertainty arising from the ongoing global conflicts, inflation, climate change and the impact of artificial intelligence, as outlined earlier in this report. The Directors were satisfied that all key third-party suppliers had measures such as conducting risk assessments, ensuring regulatory compliance, enhancing cybersecurity and improving supply chain resilience to ensure that operational functionality is not materially compromised as a result of these issues.

In assessing the viability of the Company, the Directors also focused on: whether the Company's strategic and investment objectives continue to be achievable in the current economic climate; the size threshold below which the Company would be considered uneconomic or unviable; and the Company performance and attractiveness to investors in the current environment. The Directors are satisfied that there are no viability issues that would affect the going concern of the Company.

DIRECTORS' REPORT continued

Risk management & internal controls
In accordance with the AIC Code, the Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board has overall responsibility for the Company's systems of internal controls and for reviewing their effectiveness.

During the financial year under review, the Company received services from Devon, J.P. Morgan Chase Bank N.A., J.P. Morgan Europe Limited relating to its investment management, global custody, depositary and certain accounting and administration services. Contractual arrangements are in place with Devon, J.P. Morgan Chase Bank N.A. and J.P. Morgan Europe Limited which define the areas where the Company has delegated authority to them.

The Board, through its Audit & Risk Committee, has reviewed the effectiveness of the Company's internal control systems which aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and appropriate risk management and control processes are embedded in the day to day operations of its key service providers. Further detail of this review is provided in the Report of the Audit & Risk Committee on page 43.

The Company does not have an internal audit function. The Audit & Risk Committee considers whether there is a need for an internal audit function on an annual basis. As most of the Company's functions are delegated to third-party suppliers the Board does not currently consider it necessary for the Company to establish its own internal audit function.

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from its operations as its day-to-day management and administration functions have been outsourced to third parties and it neither owns physical assets, property nor has employees of its own. It therefore does not have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. As the Company has no material operations and therefore has low energy usage, it has not included an energy and carbon report in this document.

Engagement with Stakeholders
Information on how the Board engages with its shareholders and other stakeholders can be found in the section 172 statement on page 27.

Business of the Annual General Meeting
This year's Annual General Meeting will be held at Devon's offices at 123 Victoria Street, London, SW1E 6DE at 11.00 am on 13 November 2024. The Board would welcome your attendance at the AGM as it provides shareholders with an opportunity to ask questions of both the Board and of the Investment Manager. Resolutions relating to the following special business will be proposed:

Resolution 11: Authority to Allot Shares
This special resolution seeks authority for the Directors to renew their authority to allot shares up to a maximum aggregate nominal amount of £60,000 which is representative of approximately 10% of the current issued share capital.

The Directors believe that it would be beneficial to the Company for them to allot shares whenever they consider that it would be in the best interests of the Company's existing shareholders to do so. The shares will only be issued at a premium to net asset value at the time of issue.

Resolution 12: Authority to disapply pre-emption rights
This special resolution seeks authority for the Directors to allot shares up to an aggregate nominal amount of £60,000 without first offering them to existing shareholders. This is representative of approximately 10% of the current issued share capital. New shares will only be issued at prices greater than the prevailing net asset value.

Resolution 13: Authority to buy back shares
This special resolution seeks shareholder approval for the Company to renew the power to purchase its own shares. The Directors believe that the ability of the Company to purchase its own shares in the market will potentially benefit all shareholders of the Company. The purchase of shares at a discount to the underlying net asset value would enhance the net asset value on the remaining shares if they were cancelled on repurchase or reissued (as treasury shares) at a lesser discount than that on which they were first repurchased.

The Company is seeking shareholder approval to repurchase up to 9,750,000 ordinary shares, representing approximately 14.99% of the Company's current issued share capital as of the date of this report.

The decision as to whether to repurchase shares will be at the absolute discretion of the Board. Shares repurchased under this authority may either be held by the Company in treasury for resale or cancelled. The Company will fund any purchases by utilising existing cash resources or loan facilities.

The Board has determined the following policies in respect of the Investment Manager's discretion in the use of treasury shares. Treasury shares will only be reissued at a premium to net asset value. Any treasury shares will only be reissued at a price not less than the market bid price at the time of purchase.

Resolution 14: Notice of General Meetings
The Board believes that it is in the best interests of shareholders of the Company to have the ability to call meetings on 14 clear days' notice should a matter require urgency. The Board will therefore, as last year, propose a resolution at the Annual General Meeting to approve the reduction in the minimum notice period from 21 clear days to 14 clear days for all general meetings other than annual general meetings. The Directors do not intend to use the authority unless immediate action is required. The approval will be effective until the Company's next Annual General Meeting. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Directive before it can call a general meeting on 14 clear days' notice.

The authorities sought under resolutions 11 to 14 will expire at the conclusion of the 2025 Annual General Meeting.

The full text of resolutions is set out in the Notice of Annual General Meeting on page 86. The Board considers the resolutions proposed to be in the best interests of the Company and shareholders as a whole and recommends that shareholders vote in favour of each of these resolutions, as the Directors intend to do in respect of their own holdings.

By order of the Board

Devon Equity Management Limited
Company Secretary
19 September 2024

CORPORATE GOVERNANCE STATEMENT

Responsibility for effective governance lies with the Board, whose role is to promote the long-term success of the Company. The governance framework of the Company reflects the fact that, as an externally managed investment company, most of its day-to-day responsibilities are delegated to service providers (as identified on page 83). The Board generates value for shareholders through its oversight of service providers and management of costs associated with running the Company.

The AIC Code
The AIC Code on corporate governance addresses the principles and provisions of the UK Code of Corporate Governance, as issued by the Financial Reporting Council (the 'FRC') in 2018, as well as setting out additional provisions on issues that are of specific relevance to investment trust companies. The AIC Code is available at www.theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders in the Company due to its structure as an investment trust.

The Company has complied with the provisions of the AIC Code and the relevant provisions of the UK Corporate Governance Code throughout the financial year, except as set out below:

- The role of the chief executive;
- Executive director's remuneration;
- The need for an internal audit function; and
- Workforce policies and practices.

For the reasons set out in the AIC Code and as explained in the UK Corporate Governance Code, the Board considers these provisions not to be relevant to the Company, being an externally managed investment company with no executive directors, employees or internal operations; hence no whistle-blowing policy is required. The Directors note that the Company's service providers each have whistle-blowing policies in place.

The Board has included further detail in the statement below to explain how the principles and provisions of the AIC Code are being applied:

The Board

Role of the Board
The Board is responsible for promoting the long-term sustainable success and strategic direction of the Company. The Board receives monthly reports and meets at least four times a year to review the performance of the Company's investments and to consider matters specifically reserved for its review. The Board also reviews the Company's activities at quarterly meetings to ensure that it adheres to its investment policy or, if appropriate, to make any changes to that policy.

Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the company secretarial team at J.P. Morgan Europe Limited, who are responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with.

The Directors also have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities properly.

Board composition
As at 31 May 2024 the Board comprised six non-executive Directors, all of whom are considered to be independent pursuant of the requirement of the AIC code. The Company has no executive Directors and no employees.

Diversity

It is seen as a prerequisite that each member of the Board must have the skills, experience and character that will enable each Director to contribute individually, and as part of the Board team, to the effectiveness of the Board and the success of the Company. Subject to that overriding principle, diversity of experience and approach, including gender diversity, amongst Board members is of great value, and it is the Board's policy to give careful consideration to issues of overall Board balance and diversity in appointing new Directors.

As at the close of the AGM, three of the five continuing Directors (60%) will be women. One senior Board position will be occupied by a woman, being the Chair of the Audit & Risk Committee, and two members of the Board will be from an ethnic minority background.

Statement on Board Diversity – Gender and Ethnic Background

According to the new requirements of the Listing Rules LR 9.8.6 R(9) and (11) the Company is required to include a statement in the annual financial report setting out whether it has met the following targets on board diversity as at 31 May 2024:

1) At least 40% of individuals on its board are women;

2) At least one of the senior board positions* is held by a woman; and

3) At least one individual on its board is from a minority ethnic background.

The following tables set out the prescribed format for information in accordance with the requirements of LR 9 Annex 2 as at 31 May 2024:

(a) Table for reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*
Men	3	50%	2
Women	3	50%	1

b) Table for reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board*
White British or other White (including minority white groups)	4	66%	3
Asian/Asian British	2	33%	–

* The Board considers the positions of the Chair, the Chair of the Audit & Risk Committee and Senior Independent Director (SID) to be senior positions of the Board.

Succession planning

During the year under review our Senior Independent Director, Lord Lamont, advised the Board of his intention to retire with effect from the conclusion of the forthcoming 2024 AGM. Jeroen Huysinga will be appointed as Senior Independent Director and Manisha Shukla will be appointed Chair of the Remuneration Committee in succession to Lord Lamont at the completion of the AGM.

As previously disclosed in the Principal Decisions section on page 28, at the recommendation of the Nomination Committee, and in accordance with Provision 7.2 of the AIC Code, the Board appointed an external independent search consultant, Cornforth Consulting Limited, to undertake a search for an additional non-executive Director in 2023.

CORPORATE GOVERNANCE STATEMENT continued

Upon completion of a two stage interview process, the Nomination Committee agreed that Neeta Patel would complement the current skills, experience and knowledge of the existing Directors. Accordingly, the Nomination Committee proposed that she be appointed to the Board. Ms Patel was duly appointed as an independent non-executive Director of the Company with effect from 1 January 2024 and she is subject to election by shareholders at the forthcoming AGM.

Ms Patel has also served on the Audit & Risk, Nomination, Remuneration, and Management Engagement Committees with effect from her appointment date.

The Board is mindful of the AIC Code in relation to the tenure of Directors (including the Chair). The Board does not consider it appropriate that Directors should be appointed for a specific term, however, in normal circumstances all Directors (including the Chair) will not serve in excess of nine years.

Annual re-election of Directors
The Board has adopted a policy of annual re-election for all Directors as a matter of best practice, as recommended by the AIC Code.

The Board, having considered the individual contribution and skills of each of its members, is recommending that all Directors be re-elected at the forthcoming AGM with the exception of Lord Lamont, who is retiring, and Neeta Patel, who is being elected for the first time.

Directors' training
Although no formal training in Corporate Governance is given to Directors, they are kept up to date on Corporate Governance issues through bulletins and training materials provided from time to time by the company secretarial team at J.P. Morgan Europe Limited, the Investment Manager and the Brokers. The Board may also obtain training in Corporate Governance on an individual basis through the AIC or other specialist providers.

The Board seeks to assess and monitor its own culture, including its policies, practices and behaviour to ensure it is aligned with the Company's purpose, values and strategy on an ongoing basis.

Directors' performance evaluation and effectiveness
The Board considers that an occasional external appraisal process is a constructive means of evaluating the contribution of individual Directors and identifying ways to improve the functioning and performance of the Board and its Committees and building on and improving collective strengths, including assessing any training needs.

In 2021 the Board completed a formal, external Board Evaluation of its performance in accordance with the AIC's recommended best practice. The Board evaluation encompassed measures of performance which all Directors had to complete which included an Evaluation of the Board, Evaluation of the Board Committees, an Individual self-assessment and an Evaluation of the Chair of the Board. There were no material findings reported from the Board evaluation, its Committees and that of its Chair and individual Directors. Minor suggestions were followed up and actioned. The next external Board Evaluation will take place in 2025.

In 2024, the Chair led an internal Board Evaluation of its performance. Following the completion of the Board Evaluation it was reported by the Chair that there were no material findings reported from the Board Evaluation, its Committees and that of its individual Directors. The Senior Independent Executive Director also reported that there had been no material findings reported from his separate evaluation of the Chair. The Board considers that its current composition demonstrates that it has the appropriate balance of skills and experience.

Board Committees
The Board has established Audit & Risk, Nomination, Remuneration and Management Engagement Committees. Details of the role of each Committee can be found below.

The Board

Chair - Matthew Dobbs
Senior Independent Director - Lord Lamont*
Additional non-executive Directors, all considered to be independent.

Key responsibilities:
- to promote the long-term sustainable success of the Company, generating value for shareholders;
- to ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them;
- to establish a framework of prudent and effective controls which enable risk to be assessed and managed;
- to ensure that the Company meets its responsibilities to shareholders and stakeholders and encourage participation and engagement from all key stakeholders.

Audit & Risk Committee
Chair – Sharon Brown

Key responsibilities:
- to ensure the integrity of the Company's financial reports;
- to keep under review the adequacy and effectiveness of the Investment Manager's and other key service providers' internal control and risk management systems;
- to act as primary contact for the external Auditors, to review the independence and performance of the external Auditors and review the Auditors' remuneration.

Management Engagement Committee
Chair – Jeroen Huysinga

Key responsibilities:
- to review the contractual arrangements and performance of the Investment Manager, AIFM and other key service providers.

Remuneration Committee
Chair – Lord Lamont

Key responsibilities:
- to set the remuneration policy of the Company and keep under review the remuneration of the Directors.

Nomination Committee
Chair – Matthew Dobbs

Key responsibilities:
- to review the Board's structure and composition;
- to make recommendations to the Board with respect to its policy on tenure, diversity and succession planning.

* The Senior Independent Director serves as a sounding board for the Chair and acts as an intermediary for other Directors. He is responsible for holding annual meetings with other Directors, without the Chair present, to appraise the Chair's performance. He would also be expected to meet with shareholders or with other Directors on other such occasions as necessary.

CORPORATE GOVERNANCE STATEMENT continued

With the exception of the Chair, all Directors of the Company are members of the Audit & Risk Committee. All Directors of the Company are members of the Management Engagement, Remuneration and Nomination Committees. Copies of the terms of reference, which clearly define the responsibilities of each Committee, can be found on the Company's website at www.europeanopportunities.com, also accessible using the following QR code:

Audit & Risk Committee
The role of the Audit & Risk Committee and the principal activities carried out by the Committee are disclosed in the Report of the Audit & Risk Committee on page 43.

Nomination Committee
The Nomination Committee is responsible for reviewing the Board's structure and composition and making recommendations to the Board with respect to its policies on tenure, diversity and succession planning. The Nomination Committee leads the process for appointment of additional or replacement Directors, having regard to the requirements of the Company's business and the need to have a balance of skills on the Board. The Nomination Committee considers job specifications and assesses whether candidates have the necessary skills and time available to devote to the Company's business, having due regard to the benefits of diversity. It also considers each potential candidate's other significant commitments, which are disclosed with an indication of the time involved together with any other potential conflicts of interest prior to appointment. The Nomination Committee is also responsible for supporting the annual performance evaluation of the Board and individual Directors, led by the Chair.

Remuneration Committee
The role of the Remuneration Committee and the principal activities carried out by the Committee are disclosed in the Directors' Remuneration Report on page 46.

Management Engagement Committee
The Management Engagement Committee is responsible for reviewing the contractual arrangements and performance of the Investment Manager and other key services providers, excluding the Auditors, which are reviewed by the Audit & Risk Committee.

The Board, with the support of the Management Engagement Committee, reviewed the terms of appointment and performance of the Investment Manager and has concluded that the continuing appointment of the Investment Manager is in the best interests of the Company. The Board pays particular attention to the control procedures and processes in place and has concluded that these continue to be handled with the appropriate level of resource and professionalism.

The Board, again with the support of the Management Engagement Committee and the Investment Manager, reviewed the performance of its other key service providers and is satisfied that each party continued to provide the required level of service and support to the Company.

Directors' attendance at meetings during the financial year ended 31 May 2024

Director	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	Annual General Meeting
Matthew Dobbs****	4/4	N/A	1/1	1/1	1/1	1/1
Sharon Brown	4/4	3/3	1/1	1/1	1/1	1/1
Virginia Holmes*	2/2	1/1	1/1	1/1	1/1	1/1
Jeroen Huysinga	4/4	3/3	1/1	1/1	1/1	1/1
Lord Lamont	4/4	3/3	1/1	1/1	1/1	1/1
Manisha Shukla**	3/3	3/3	–	–	–	1/1
Neeta Patel***	1/1	1/1	–	–	–	–

* Virginia Holmes retired at the 2023 AGM.
** Manisha Shukla was appointed on 1 September 2023.
*** Neeta Patel was appointed on 1 January 2024.
**** All Directors are members of the four Committees of the Board with the exception of Matthew Dobbs, who may, upon invitation, attend Audit and Risk Committee meetings as an observer.

For and on behalf of the Board

Matthew Dobbs
Chair
19 September 2024

REPORT OF THE AUDIT & RISK COMMITTEE

Role of the Audit & Risk Committee
The primary responsibilities of the Audit & Risk Committee are to ensure the integrity of the financial reporting by the Company, the appropriateness of the risk management and internal controls processes and the effectiveness of the independent audit process. This report details how we carry out this role.

During the year the principal activities carried out by the Committee were:

- **Financial reporting:** The Committee reviewed the Company's half yearly and annual financial reports, including the significant accounting matters and agreed the appropriateness of accounting policies adopted. More detail on the key accounting matters is provided within this report. The Committee reviewed and assessed the Company's viability statement and the appropriateness of preparing the Company's financial reports on a going concern basis, challenging the Manager's assumptions in the scenario planning used to support this approach. The Committee concluded 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 Company's performance, business model and strategy;

- **AIC Code:** The Committee reviewed and considered the Company's continuing compliance with the AIC Code in regards to the Board's dual role as both an overseer of the Company's internal framework and a manager of the principal risk. The examination encompassed a comprehensive assessment of how the Board fulfils its responsibilities in ensuring the Company's internal processes are robust and effective. The Committee's scrutiny and consideration of these vital aspects aim to ensure that the Company maintains high standards of corporate governance and risk management, aligning with the best practices and regulatory requirements;

- **Risk and internal controls:** During the year, the Committee carried out a detailed review of the Company's risk register with an emphasis on identifying the Company's risk register with an emphasis on identifying the key existing and emerging risks facing the Company and consideration of the appropriateness of the mitigating controls. The Committee considered the internal control reports received from the Investment Manager, the Depositary and Custodian, the effectiveness of the Company's internal control environment and consideration of the need for the Company to have its own internal audit function; and

- **External Auditors:** The Committee reviewed the effectiveness, objectivity and independence of PricewaterhouseCoopers LLP (PwC), as well as their fees. The Committee also considered options and selected the new Statutory Auditor from PwC. Further details are provided later in this report.

The Committee's authorities and duties are defined in its terms of reference, which were reviewed during the year and are available on the Company's website www.europeanopportunities.com

Composition and meetings
As at 31 May 2024, the Committee comprised Sharon Brown as Chair, Lord Lamont, Neeta Patel, Manisha Shukla and Jeroen Huysinga, all independent non-executive Directors. The Committee considers that, collectively, the members have sufficient recent and relevant sector and financial experience to fully discharge their responsibilities. The performance of the Committee was evaluated as part of the Board appraisal process, detailed on page 39. The Board is satisfied with the performance and effectiveness of the Audit and Risk Committee. The Committee invites the Board Chair, Mathew Dobbs, to attend as an observer and also the Company's Auditors and personnel from Devon and other third party service providers to attend and report to the Committee on relevant matters.

The Committee met formally on three occasions during the financial year ended 31 May 2024. In addition, the Chair of the Committee met privately with the external Auditor and also with a representative of Devon's internal audit service provider.

REPORT OF THE AUDIT & RISK COMMITTEE
continued

Significant Accounting Matters
Summarised below are the most significant issues considered by the Committee in relation to the Company's Accounts for the year ended 31 May 2024, and how these issues were addressed:

Issue considered	How the issue was addressed
Valuation and existence of investments	The valuation of investments is in accordance with accounting policy (Note 1(d)). The Board receives regular reports of the portfolio from the Investment Manager. The Committee takes comfort from the Depositary's regular oversight reports that investment related activities were conducted in accordance with the Company's investment policy and also from the internal controls reports prepared. The Company does not invest in unlisted securities. The external Auditor validated the ownership and valuations to its independent sources.
Income from investments	Investment income is recognised in accordance with the accounting policy detailed in Note 1(b) The Committee reviewed detailed revenue forecasts and considered the allocation of dividend income between revenue and capital. Investment income was also independently tested and reported on by the Auditors.
Consideration of the wars in Ukraine and Gaza, climate change and other emerging risks	The Committee considered these emerging risks and how these might reasonably impact the Company. They considered both the operational impacts on the Company and third party service providers and the potential financial impacts (including the review of financial forecasts, the liquidity of the Company's portfolio and agreed banking facilities, including loan covenant compliance).

External Auditors
The Company's current independent Auditors, PwC, conducted their first audit of the Company in 2020 and were re-appointed at the 2023 Annual General Meeting. Tom Norrie, who was the Statutory Auditor for the Company, left PwC in 2024 and, following consideration of options by the Committee, Jennifer March was appointed. Whilst her first year in this role, she was previously reviewing partner of the Company's accounts, a role she had carried out for three years.

As part of its review of the continuing appointment of the Auditors, the Committee considers the length of tenure of the audit firm, its fees, independence and the effectiveness of the audit process.

In considering the independence of the Auditors, the Committee reviewed:

- the audit plan for the year, including the audit team and approach to significant risks;
- the Auditors' arrangements for any conflicts of interest;
- the extent of any non-audit services (all non-audit services are subject to pre-approval by the Committee; there were no non-audit services in the reporting year); and
- the statement by the Auditors, requested and provided annually, of the steps they have taken to ensure objectivity and independence and their confirmation that they remain independent within the meaning of the regulations and their professional standards.

REPORT OF THE AUDIT & RISK COMMITTEE
continued

With regard to the effectiveness of the audit process, the Committee reviewed:

- the fulfilment by the Auditors of the agreed audit plan;
- the report issued by the Auditors on the audit of the Annual Report and Accounts for the year ended 31 May 2024; and
- feedback from the Investment Manager and other service providers on the audit of the Company.

The Audit and Risk Committee also considered an annual independent Audit Quality Review published by the Financial Reporting Council, that monitors audit quality of the major audit firms in the UK and discussed with the Auditor the results of its own quality control review and transparency report.

In assessing the quality of the audit, the Committee considered areas where the Auditor had demonstrated professional scepticism and challenged management. They noted that this had been demonstrated in a number of areas, including the accounting treatment of management expenses, the allocation of tender costs and the recognition of recoverable taxes. The Committee noted these discussions and the conclusion that the accounting treatments adopted were appropriate.

The Committee concluded that PwC has a suitable culture, control environment and risk framework to enable it to deliver a high-quality audit and that they had delivered a quality audit for the year ended 31 May 2024.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority. In recognition of underlying audit rotation requirements, the Committee currently intends that an audit tender process will be undertaken during the year to 31 May 2029 to appoint either the incumbent or a new audit firm for the financial year ending 31 May 2030 onwards. There are no contractual obligations restricting the Company's choice of external Auditors.

In order to provide appropriate audit quality, additional audit work and therefore resources is now required by the audit profession. This has resulted in audit fees rising significantly and this has been accepted by the Committee having considered the service level, audit quality and market comparisons. The annual audit fee has therefore increased in this financial year to £55,000 (2023: £45,000).

For and on behalf of the Audit & Risk Committee

Sharon Brown
Chair of the Audit & Risk Committee
19 September 2024

DIRECTORS' REMUNERATION REPORT AND POLICY

Introduction
The Remuneration Committee, on behalf of the Board, is pleased to present the Company's annual remuneration report for the year ended 31 May 2024 in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditors' opinion is included in their report beginning on page 52.

Role of the Remuneration Committee
The primary responsibility of the Committee is to review the level of remuneration of the Directors of the Company to ensure that they remain commensurate with the time commitment and responsibilities of each role.

The Directors are all non-executive. Each Director receives an annual fee, payable quarterly in arrears. The Company does not award any other remuneration or benefits to the Chair or Directors.

Remuneration Policy
The Board is composed wholly of independent non-executive Directors, none of whom has a service contract with the Company. The Board has established a Remuneration Committee, currently chaired by Lord Lamont, comprising all independent Directors, which will consider changes to Directors' fees from time to time. The Company Secretary provides comparative information when the Board considers the level of Directors' fees.

The Board's policy is that the remuneration of Directors should be set at a reasonable level commensurate with the duties and responsibilities of the role and consistent with the requirement to attract and retain Directors of the appropriate quality and experience. The Board believes that the fees paid to the Directors should be fair and should take account of the level of fees paid by comparable investment trusts.

There are no agreements between the Company and its Directors concerning compensation for loss of office.

The Company's Articles provide that additional discretionary payments can be made for services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director. In the year under review no such payments were made.

The Company has no employees and consequently has no policy on the remuneration of employees.

Cap on Directors' remuneration
Pursuant to a shareholder resolution, the aggregate amount of fees to be paid to the Directors (excluding any fees payable in respect of any special or extra services provided by a Director) are currently capped at £250,000 per annum, provided that such cap may be further amended by shareholders by way of ordinary resolution.

Other fees and incentives
The Company does not award any other remuneration or benefits to the Directors. There are no bonus schemes, pension schemes, share option or long-term incentive schemes in place for the Directors. Directors are entitled to be repaid all reasonable travel, hotel and other expenses properly incurred by them in the performance of their duties as Director, including any expenses incurred in attending meetings of the Board and its Committees or general meetings of the Company.

Directors' service contracts
No Director has a contract of service with the Company. Accordingly, the Directors are not entitled to any compensation in the event of termination of their appointment of loss of office, other than payment of any outstanding fees.

DIRECTORS’ REMUNERATION REPORT AND POLICY continued

Current remuneration of the Board

With effect from 1 June 2024, on the recommendation of the Remuneration Committee, the Board approved an increase in annual fees as follows:

	From:	To:	% change
Chair	£42,640	£44,000	3.2
Chair of the Audit & Risk Committee	£36,400	£37,500	3.0
Directors	£30,160	£31,000	2.8

The Committee is authorised to obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference. The Committee did not seek external advice during the year under review.

Annual report on remuneration

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 May 2024 and 31 May 2023, respectively:

Statement of Directors’ emoluments (audited)

	Year ended 31 May 2024				Year ended 31 May 2023		
Director	Fees (£)	Expenses (£)	Total (£)	Fee change on prior year %	Fees (£)	Expenses (£)	Total (£)
Matthew Dobbs[1]	42,640	–	42,640	20.3	35,443	–	35,443
Sharon Brown	36,400	2,105	38,505	4.0	35,000	3,077	38,077
Virginia Holmes[2]	13,837	–	13,837	(52.3)	29,000	–	29,000
Lord Lamont	30,160	–	30,160	4.0	29,000	–	29,000
Jeroen Huysinga	30,160	–	30,160	4.0	29,000	–	29,000
Andrew Sutch[3]	–	–	–	(100.0)	18,984	562	19,546
Neeta Patel[4]	12,567	–	12,567	–	–	–	–
Manisha Shukla[5]	22,620	–	22,620	–	–	–	–
	188,384	**2,105**	**190,489**		**176,427**	**3,639**	**180,066**

[1] Matthew Dobbs was appointed Chair (with increased fees) at the 2023 AGM.
[2] Virginia Holmes retired at the 2023 AGM.
[3] Andrew Sutch retired at the 2022 AGM.
[4] Neeta Patel was appointed on 1 January 2024.
[5] Manisha Shukla was appointed on 1 September 2023.

No payments were made to past Directors during the period under review.

Five year change comparison in Directors’ Remuneration

The table below sets out the change in Directors’ fees over the last five years.

	31 May 2024	31 May 2019	Change (%)
Chair	42,640	35,000	+21.8%
Audit & Risk Committee Chair	36,400	28,500	+27.7%
Director	30,160	25,000	+20.6%

DIRECTORS' REMUNERATION REPORT AND POLICY continued

Expenditure by the Company on Directors' remuneration compared with distributions to shareholders

The table below compares the remuneration paid to Directors to distributions made to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the Company's stated investment objective of achieving capital growth:

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Fees paid to Directors	188	176
Distributions to shareholders	3,375	2,536

Statement of voting at the last Annual General Meeting

The following table sets out the votes received at the 2023 Annual General Meeting of the shareholders of the Company, in respect of the approval of the Directors' Remuneration Report:

Votes cast for*		Votes cast against*		Number of votes withheld
Number	%	Number	%	Number
48,158,672	76.74	14,594,087	23.26	2,007,782

* Includes discretionary votes. Percentages exclude votes withheld. Commentary on the action taken in response to the >20% vote against is set out in the Chair's statement on page 6.

Remuneration Regulation Large and Medium Sized Companies and Groups

The remuneration policy is put to shareholders every three years, with the next vote to take place at the 2026 AGM unless renewed, varied or revoked by the Shareholders beforehand. The following table sets out the votes received in relation to the Remuneration Policy at the Annual General Meeting held on 15 November 2023:

Votes cast for*		Votes cast against*		Number of votes withheld
Number	%	Number	%	Number
38,577,882	61.46	24,187,549	38.54	2,007,760

* Includes discretionary votes. Percentages exclude votes withheld. Commentary on the action in response to the >20% vote against is set out in the Chairs Statement on page 6.

In accordance with the Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, shareholders are required to approve the Company's Remuneration Policy for a maximum period of three years.

Implementation of the Remuneration Policy

No significant changes are expected in the Company's approach to Director remuneration. Remuneration in accordance with the Company's policy and the overall remuneration of each Director will continue to be monitored by the Committee on an annual basis.

The Board will consider shareholders' views on Directors' remuneration. No comments have been received on this subject in the past year.

Directors' interests

The Directors who held office at the end of the year covered by these Accounts and their beneficial interests in the Company's shares are shown below. No Director was a party to or had any interest in any contract or arrangement with the Company at any time during the year or subsequently. There are no requirements for the Directors of the Company to own shares in the Company.

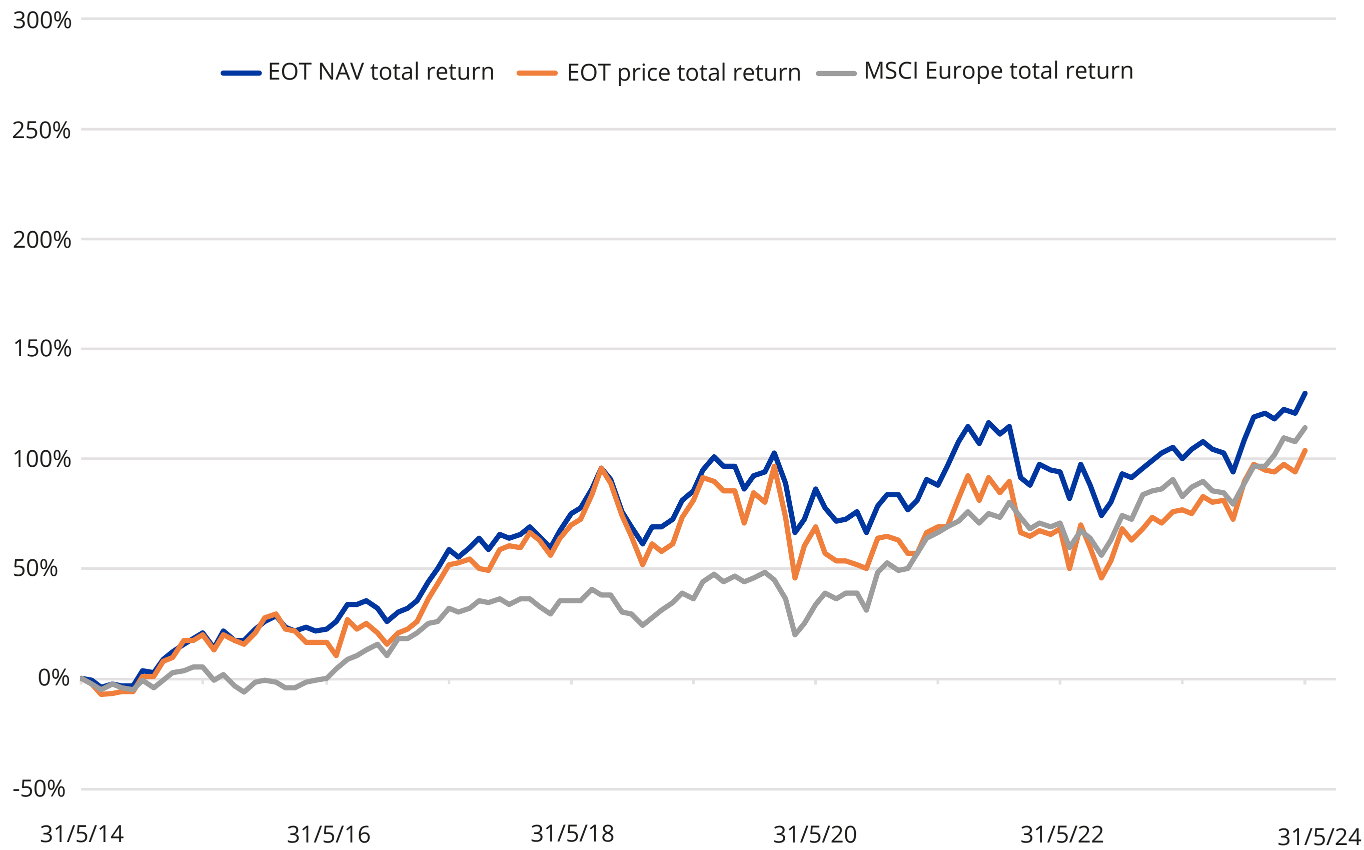
DIRECTORS' REMUNERATION REPORT AND POLICY continued

Directors' interests in shares as at the financial year end (audited)

	31 May 2024	31 May 2023
Matthew Dobbs	36,000	36,000
Sharon Brown	3,824	3,824
Lord Lamont	18,040	18,040
Jeroen Huysinga	17,800	13,800
Manisha Shukla	630	–
Neeta Patel	1,100	–

Performance from 31 May 2014 to 31 May 2024

The graph below illustrates the Company's performance by reference to the NAV and the price of its shares compared against the Company's Benchmark, the total return on the MSCI Europe Index in GBP, which has been chosen as the most suitable index against which to measure the performance of the Company.



Source: MSCI Europe & Devon. Returns with dividends reinvested. Past performance is no guide to the future.

DIRECTORS' REMUNERATION REPORT AND POLICY continued

Annual Statement

On behalf of the Board and in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the Directors' Remuneration Report and Policy above summarises, for the year ended 31 May 2024, the context of the review undertaken and the major decisions made regarding the fees paid to the Board during the year.

By order of the Board

Lord Lamont
Chair of the Remuneration Committee
19 September 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for 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 and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations
Each of the Directors, whose names are listed on page 83, confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Each Director in office at the date the Directors' report is approved has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

By order of the Board

Matthew Dobbs
Chair
19 September 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC

Report on the audit of the financial statements

Opinion
In our opinion, European Opportunities Trust PLC's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2024 and of its return and cash flows 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, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 May 2024; the Income Statement, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit & Risk Committee.

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

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

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

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

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Our audit approach

Context

The Company is a standalone investment trust company and engages Devon Equity Management Limited (the “Investment Manager”) to manage its assets.

Overview

Audit scope	• We conducted our audit of the financial statements using information from the Investment Manager, J.P. Morgan Chase Bank N.A. (the "Administrator" and the "Custodian") and J.P. Morgan Europe Limited (the "Depositary") to whom the Directors have delegated the provision of certain administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates. • We obtained an understanding of the control environment in place at both the Investment Manager and the Administrator, and adopted a fully substantive testing approach using reports obtained from the Investment Manager and the Administrator.
Key audit matters	• Valuation and existence of investments. • Income from investments.
Materiality	• Overall materiality: £6,564,000 (2023: £8,629,000) based on 1% of net asset value. • Performance materiality: £4,923,000 (2023: £6,472,000).

The scope of our audit

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

Key audit matters

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

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

Ability to continue as a going concern - Continuation Vote, which was a key audit matter last year, is no longer included because of the Continuation Vote passing at the 2023 AGM. Otherwise, the key audit matters below are consistent with last year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments	
Refer to Report of the Audit & Risk Committee, and Notes to the accounts, including Accounting Policies. The investment portfolio at the year-end comprised listed equity investments valued at £709.9 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the Financial Statements.	We tested the valuation of the listed equity investments by agreeing the prices used in the valuation to independent third-party sources. We tested the existence of all of the quoted equity portfolio by agreeing investment holdings to an independent custodian confirmation. We did not identify any material matters to report.
Income from investments	
Refer to Report of the Audit & Risk Committee, and Notes to the accounts, including Accounting Policies. We focused on the accuracy, completeness and occurrence of investment income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for investment income recognition and the presentation of investment income in the Income Statement for compliance with the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP"), as incorrect application could indicate a misstatement in income recognition.	We assessed the accounting policy for investment income recognition for compliance with accounting standards and the AIC SORP and performed testing to check that income from investments had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income from investments has been accounted for in accordance with the stated accounting policy. We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent third-party data. We tested occurrence by tracing a sample of dividends received to bank statements. To test for completeness, we tested, for all investment holdings in the portfolio, that all dividends declared in the market for investment holdings had been recorded. We also tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income as being in line with the requirements set out in the AIC SORP by determining reasons behind dividend distributions. We did not identify any material matters to report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

How we tailored the audit scope

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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

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

Materiality

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

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

Overall Company materiality	£6,564,000 (2023: £8,629,000).
How we determined it	1% of net asset value
Rationale for benchmark applied	We applied this benchmark, which is a generally accepted auditing practice for investment trust audits and is also the primary measure used by the shareholders in assessing the performance of the entity.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £4,923,000 (2023: £6,472,000) for the Company financial statements.

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

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £328,200 (2023: £436,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- Evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats;
- Evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;

- Evaluating the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and

- Assessing the implications of significant reductions in net asset value as a result of market performance on the ongoing ability of the Company to operate.

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

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

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

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

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and the 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 year ended 31 May 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Corporate governance statement

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with the Manager and the Audit & Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Audit & Risk Committee;
- Evaluation of the controls implemented by the Company and the Administrator designed to prevent and detect irregularities;
- Assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- Identifying and testing journal entries, in particular year-end journal entries posted by the Administrator during the preparation of the financial statements and any journals with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROPEAN OPPORTUNITIES TRUST PLC continued

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report and Policy to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit & Risk Committee, we were appointed by the members on 11 November 2019 to audit the financial statements for the year ended 31 May 2020 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 31 May 2020 to 31 May 2024.

Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 September 2024

INCOME STATEMENT
for the year ended 31 May 2024

	Notes	Year ended 31 May 2024 Revenue £'000	Capital £'000	Total £'000	Year ended 31 May 2023 Revenue £'000	Capital £'000	Total £'000
Gain on investments	8	–	99,737	99,737	–	20,058	20,058
Currency exchange (loss)/gain		–	(80)	(80)	–	360	360
Income from investments	2	11,573	–	11,573	16,244	–	16,244
Other income	2	84	–	84	33	–	33
Total income		**11,657**	**99,657**	**111,314**	**16,277**	**20,418**	**36,695**
Investment management fee	20	(6,409)	–	(6,409)	(7,733)	–	(7,733)
Other expenses	3	(1,359)	(1,466)	(2,825)	(951)	–	(951)
Total expenses		**(7,768)**	**(1,466)**	**(9,234)**	**(8,684)**	**–**	**(8,684)**
Net return before finance costs and taxation		**3,889**	**98,191**	**102,080**	**7,593**	**20,418**	**28,011**
Finance costs	4	(2,735)	–	(2,735)	(2,863)	–	(2,863)
Return on ordinary activities before taxation		**1,154**	**98,191**	**99,345**	**4,730**	**20,418**	**25,148**
Taxation	5	(897)	–	(897)	(1,345)	–	(1,345)
Net return after taxation*		**257**	**98,191**	**98,448**	**3,385**	**20,418**	**23,803**
Earnings per ordinary share (basic and diluted)	6	**0.30p**	**113.08p**	**113.38p**	**3.34p**	**20.15p**	**23.49p**

* There is no other comprehensive income and therefore the 'Net return after taxation' is the total comprehensive income for the financial year.

The total column of this statement is the income statement of the Company, prepared in accordance with UK adopted International Accounting Standards.

The supplementary revenue return and capital return columns are both prepared under guidance produced by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Notes on pages 64 to 79 form part of these Accounts.

STATEMENT OF FINANCIAL POSITION
as at 31 May 2024

	Notes	2024 £'000	2023 £'000
Fixed Assets			
Investments	8	709,898	936,318
Current assets			
Debtors	9	2,882	3,445
Cash and cash equivalents		5,615	6,951
		8,497	10,396
Total assets		**718,395**	**946,714**
Current liabilities			
Creditors – amounts falling due within 1 year	10	(61,957)	(83,776)
Total assets less current liabilities		**656,438**	**862,938**
Capital and reserves			
Called up share capital	21	888	1,129
Share premium	11	204,133	204,133
Special reserve	12	33,687	33,687
Capital redemption reserve	13	286	45
Reserves	14	417,444	623,944
Total shareholders' funds		**656,438**	**862,938**
Net asset value per ordinary share	15	**1,008.48p**	**876.46p**

The Accounts on pages 60 to 79 were approved by the Board of Directors on 19 September 2024 and signed on its behalf by:

Matthew Dobbs
Chair

The Notes on pages 64 to 79 form part of these Accounts.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 May 2024

For the year ended 31 May 2024	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2023		1,129	204,133	33,687	45	623,944	862,938
Net return after taxation		–	–	–	–	98,448	98,448
Repurchase of shares into treasury	21	–	–	–	–	(79,450)	(79,450)
Repurchase of shares for cancellation	21	(241)	–	–	241	(222,123)	(222,123)
Dividends declared and paid*	7	–	–	–	–	(3,375)	(3,375)
Balance at 31 May 2024		**888**	**204,133**	**33,687**	**286**	**417,444**	**656,438**

For the year ended 31 May 2023	Notes	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Reserves[1] £'000	Total £'000
Balance as at 1 June 2022		1,129	204,133	33,687	45	633,623	872,617
Net return after taxation		–	–	–	–	23,803	23,803
Repurchase of shares into treasury	21	–	–	–	–	(30,946)	(30,946)
Dividends declared and paid*	7	–	–	–	–	(2,536)	(2,536)
Balance at 31 May 2023		**1,129**	**204,133**	**33,687**	**45**	**623,944**	**862,938**

* Dividends paid during the financial year were paid out of revenue reserves.

[1] An analysis of reserves broken down into revenue (distributable) items and capital items (non-distributable) is given in Note 14.

The Notes on pages 64 to 79 form part of these Accounts.

CASH FLOW STATEMENT
for the year ended 31 May 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Investment income received (gross)		12,086	16,366
Deposit interest received		84	33
Investment management fee paid	20	(7,084)	(7,756)
Other cash expenses		(1,225)	(900)
Net cash inflow from operating activities before taxation and interest	16	**3,861**	**7,743**
Interest paid		(3,309)	(2,302)
Overseas tax incurred		(796)	(1,372)
Net cash (outflow)/inflow from operating activities		**(244)**	**4,069**
Cash flows from investing activities			
Purchases of investments		(280,274)	(117,350)
Sales of investments		605,717	153,085
Net cash inflow from investing activities		**325,443**	**35,735**
Cash flows from financing activities			
Repurchase of ordinary shares into treasury	17	(84,491)	(26,650)
Repurchase of ordinary shares for cancellation	17	(222,123)	–
Tender cost		(1,466)	–
Equity dividends paid	7	(3,375)	(2,536)
Repayment of loan	17	(75,000)	(20,000)
Drawdown of loan	17	60,000	10,000
Net cash outflow from financing activities		**(326,455)**	**(39,186)**
(Decrease)/increase in cash		**(1,256)**	**618**
Cash and cash equivalents at the start of the year		6,951	5,973
Realised (loss)/gain on foreign currency		(80)	360
Cash and cash equivalents at end of year		**5,615**	**6,951**

The Notes on pages 64 to 79 form part of these Accounts.

NOTES TO THE ACCOUNTS

1. Material Accounting Policies

The Accounts comprise the financial results of the Company for the year to 31 May 2024. The functional and reporting currency of the Company is pounds sterling because that is the currency of the prime economic environment in which the Company operates. The Accounts were authorised for issue in accordance with a resolution of the Directors on 19 September 2024. All values are rounded to the nearest thousand pounds (£'000) except where indicated.

The Accounts have been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006.

Where presentational guidance set out in the Statement of Recommended Practice for Investment Trusts issued by the Association of Investment Companies in April 2021 (the 'AIC SORP') is consistent with the requirements of UK-adopted International Accounting Standards in conformity with the Companies Act 2006, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the AIC SORP. The Accounts have also been prepared in accordance with the Disclosure and Transparency Rules issued by the Financial Conduct Authority.

The Accounts have been prepared under the historic cost convention, modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss. The accounting policies have been consistently applied throughout the year ended 31 May 2024 and in the prior year other than where new policies have been adopted.

The Board continues to adopt the going concern basis in the preparation of the financial statements.

(a) Segmental reporting
The Company is engaged in a single segment business and, therefore, no segmental reporting is provided.

(b) Income recognition
Ordinary dividends from investments are recognised when the investment is quoted ex-dividend on or before the date of the Statement of Financial Position. All overseas dividend income is disclosed net of withholding tax.

Ordinary dividends receivable from equity shares are taken to the revenue return column of the Income Statement.

Deposit and other interest receivable are accounted for on an accruals basis. These are classified within operating activities in the Cash Flow Statement.

Special dividends are reviewed on a case by case basis to determine if the dividend is to be treated as revenue or capital.

(c) Presentation of Income Statement
In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Companies (AIC), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented. In accordance with the Company's Articles of Association, net capital returns may not be distributed by way of dividend.

An analysis of reserves broken down into revenue (distributable) items, and capital items (non-distributable) is given in Note 13.

(d) Basis of valuation of investments
Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition.

NOTES TO THE ACCOUNTS continued

1. Material Accounting Policies continued

All investments are classified as held at fair value through profit or loss. All investments are measured at fair value with changes in their fair value recognised in the Income Statement in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investment.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques.

These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

(e) Cash and cash equivalents
Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risks of changes in value.

(f) Foreign currencies
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At the reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Income Statement with the revenue or capital column depending on the nature of the underlying item.

(g) Borrowing and finance costs
Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs and subsequently measured at amortised cost.

Interest on the loan facility is accrued at the rate contractually agreed with the lender.

Bank interest is recognised in the Income Statement in the period in which it is incurred.

All finance costs are directly charged to the revenue column of the Income Statement.

(h) Expenses
Expenses are accounted for on an accruals basis. Management fees, administration and other expenses are charged fully to the revenue column of the Income Statement. Expenses which are incidental to the purchase or sale of an investment are charged to capital, along with any foreign exchange gains and losses.

In accordance with the AIC SORP, the Board has allocated all expenses, other than expenses incidental to purchase or sale of investments and issue costs, to revenue. All tender offer related costs in the financial year were charged to capital. The Board will keep the allocation of expenses under review.

1. Material Accounting Policies continued

(i) Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation of capital gains.

Irrecoverable VAT is included in the expense on which it has been suffered. Recoverable VAT is calculated using the partial exemption method based on the proportion of zero rated supplies to total supplies.

(j) Future accounting developments
At the date of authorisation of the financial statements, the following amendments to the UK adopted International Accounting Standards (IAS) and interpretations are considered to be relevant to the Company:

Amendments to IAS 1, Presentation of financial statements on classification of liabilities (effective 1 January 2024).

Amendments to IAS 1, Presentation of financial statements on non-recurrent liabilities with covenants (effective 1 January 2024).

The Directors expect that the adoption of the standards listed above will have either no impact or that any impact will not be material on the financial statements of the Company in future periods.

(k) Significant accounting judgements, estimates and assumptions
Management have not applied any significant accounting judgements, estimates and assumptions which would have a significant impact on this set of Accounts or those of the prior financial year.

In preparing these Accounts, the Directors have considered the impact of climate change as an emerging risk as set out on page 26 and have concluded that there was no further impact of climate change to be considered as the investments are valued based on market pricing. In line with UK adopted International Accounting Standards the investments are valued at fair value, which for the Company are the bid prices quoted on the relevant stock exchange at the date of the Statement of Financial Position and therefore reflect market participants' views of climate change risk on the investments held.

NOTES TO THE ACCOUNTS continued

2. Income

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Income from investments		
Dividends from United Kingdom companies	3,794	4,627
Dividends from overseas companies	7,779	11,617
Other income		
Deposit interest	84	33
	11,657	**16,277**

3. Other expenses*

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Auditors' remuneration	55	45
VAT on Auditors' remuneration	11	9
	66	**54**
Directors' remuneration	188	180
Administration fees	183	178
Safe custody charges	73	91
Legal and professional fees	97	22
Registrar's fee	70	55
Brokerage fees	61	70
Other professional fees	219	55
Depository's fee	144	150
FCA fees	31	29
Printing & publication of reports to shareholders	20	20
Other administrative expenses	207	47
Subtotal	**1,293**	**897**
Tender related cost**	1,466	–
Total	**2,825**	**951**

* Each including VAT where applicable, other than Auditor's remuneration. There were no non-audit fees payable in the years to 31 May 2024 and 31 May 2023.

** Tender offer in January 2024 described in the Chair's Statement on page 5.

4. Finance costs

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Interest on short-term loan	2,616	2,776
Commitment fees	117	67
Bank charges	2	20
	2,735	**2,863**

All finance costs are charged to revenue.

5. Taxation

(a) Analysis of charge in year	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Foreign tax suffered	897	1,345

All tax costs are charged to revenue.

(b) Factors affecting current tax charge for the year
The tax charge for the period is lower than (2023: lower) the Company's applicable rate of corporation tax of 25.0% (2023: The UK corporation tax rate was 19.0% until 31 March 2023 and 25.0% from 1 April 2023, giving an effective rate of 20.0%). The difference is explained below:

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Net return before taxation	99,345	25,148
Corporation tax at 25.0% (2023: 20.0%)	24,836	5,030
Effects of:		
Tax free capital gain in investments	(24,914)	(4,084)
Exempt dividend income	(2,893)	(3,249)
Foreign tax incurred	897	1,345
Excess expenses for the year	2,809	2,137
Disallowed interest	162	166
Total tax charge for the year	**897**	**1,345**

Due to the Company's status as an investment trust and the intention to continue meeting the conditions required to obtain approval 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.

NOTES TO THE ACCOUNTS continued

5. Taxation continued

There is an unrecognised deferred tax asset of £37 million (2023: £35 million) which relates to unutilised excess expenses. The rate of Corporation Tax of 25% has been used to calculate the potential deferred tax asset. This would only be recovered if the Company were to generate sufficient profits to utilise these expenses. It is considered highly unlikely that this will occur and therefore, no deferred tax asset has been recognised.

6. Returns per share

The return per share figure can be analysed between revenue and capital, as below:

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Net revenue return	257	3,385
Net capital return	98,191	20,418
Net total return	**98,448**	**23,803**
Weighted average number of shares in issue during the year	86,830,217	101,303,712
Revenue return per share	0.30p	3.34p
Capital return per share	113.08p	20.15p
Return per share	**113.38p**	**23.49p**

7. Dividends paid to shareholders

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
2023 final dividend 3.5p paid on 96,429,891 shares (2022: 2.5p paid on 101,439,098 shares)	3,375	2,536

Set out below is the total dividend proposed in respect of the financial year under review, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered:

	2024 £'000
2024 final dividend of 2.0p (2023: 3.5p)	1,289*

* Based on the number of shares in issue as at 9 September 2024. Subject to shareholder approval at the 2024 Annual General Meeting, a final dividend of 2.0p per share will be paid on 25 November 2024 to those shareholders on the register of shareholders as at 8 November 2024 (the Record Date).

** A final dividend of 3.5p per share was paid on 27 November 2023 to those shareholders on the register of shareholders as at 3 November 2023.

8. Investments

	Year ended 31 May 2024 £'000	Year ended 31 May 2023 £'000
Market value of investments at beginning of year	936,318	951,753
Net unrealised gain at beginning of year	(296,205)	(324,760)
Cost of investments at beginning of year	**640,113**	**626,993**
Purchases at cost during the year	279,560	117,592
Sales at cost during year	(441,724)	(104,472)
Cost of investments at the end of the year	477,949	640,113
Net unrealised gain at the end of the year	231,949	296,205
Market value of investments at end of year	**709,898**	**936,318**

	2024 £'000	2023 £'000
Gains on investments		
Net gain on the sale of investments	163,993	48,613
Net unrealised losses at the end of the year	(64,256)	(28,555)
Gain on investments	**99,737**	**20,058**

Transaction costs incurred during the year amounted to £685,115 (2023: £467,138).

9. Debtors

	2024 £'000	2023 £'000
Dividends receivable	761	1,275
Prepayments and accrued interest	95	43
Foreign recoverable tax	2,026	2,127
	2,882	**3,445**

NOTES TO THE ACCOUNTS continued

10. Creditors – amounts falling due within one year

	2024 £'000	2023 £'000
Interest payable	213	787
Investment management fee payable	1,310	1,985
Other creditors and accruals	434	5,290
Short-term bank loans*	60,000	75,000
Purchases awaiting settlement	–	714
	61,957	**83,776**

* See note 17.

11. Share premium

	2024 £'000	2023 £'000
At 1 June	204,133	204,133
At 31 May	**204,133**	**204,133**

12. Special reserve

	2024 £'000	2023 £'000
At 1 June	33,687	33,687
At 31 May	**33,687**	**33,687**

The Company may repurchase its own shares from the funds held in the special reserve when deemed appropriate by the Board.

13. Capital redemption reserve

	2024 £'000	2023 £'000
At 1 June	45	45
Repurchase of shares for cancellation*	241	–
At 31 May	**286**	**45**

* See note 21.

14. Reserves

	Revenue reserve £'000	Capital reserve £'000	Total £'000
At 1 June 2023	11,791	612,153	623,944
Net return for the year	257	98,191	98,448
Dividends declared and paid	(3,375)	–	(3,375)
Shares repurchased	–	(79,450)	(79,450)
Shares cancelled	–	(222,123)	(222,123)
At 31 May 2024	**8,673**	**408,771**	**417,444**

The capital reserve includes £231,949,000 of investment holding gains (2023: gains of £296,205,000). The capital reserve is not distributable except by way of redemptions or purchases of own shares per the Articles of Association. The amount of the capital reserve that is distributable is complex to determine and is not necessarily the full amount of the reserve as disclosed within these Accounts. The revenue reserve is distributable by way of a dividend.

15. Net asset value per share

The net asset value per share is based on the net assets attributable to the equity shareholders of £656,438,000 (2023: £862,938,000) and on 65,091,784 (2023: 98,457,598) shares, being the number of shares in issue at the year end.

16. Net cash inflow from operating activities before taxation and interest

	2024 £'000	2023 £'000
Net return before finance costs and taxation	102,080	28,011
Gains on investments	(99,737)	(20,058)
Realised loss/(gain) on foreign currency	80	(360)
Tender cost	1,466	–
Decrease in debtors	462	114
(Decrease)/increase in accruals and other creditors	(490)	36
Net cash inflow from operating activities before interest and taxation	**3,861**	**7,743**

NOTES TO THE ACCOUNTS continued

17. Analysis of changes in financing activities

	1 June 2023 £'000	Transactions in the year £'000	Cash flow £'000	31 May 2024 £'000
Bank loans	(75,000)	15,000	–	(60,000)
Tender cost		1,466	(1,466)	–
Equity dividends paid	–	3,375	(3,375)	–
Shares repurchased	–	84,491	(84,491)	–
Shares cancelled	–	222,123	(222,123)	–
Total	**(75,000)**	**326,455**	**(311,455)**	**(60,000)**

As at 31 May 2024 loans of £60 million were outstanding under the Company's available £85 million loan facility. The Company's total drawn down borrowings as at the date of this document were £60 million. The terms of the loan facility contain covenants that the adjusted asset coverage may not be less than 3.30 to 1.00 and that the net assets of the Company be no less than £450 million. The Company has granted a floating charge to The Bank of Nova Scotia, London Branch, in relation to drawn down borrowings.

Subsequent to the financial year end, on 6 September 2024, the Company renewed its revolving credit facility with The Bank of Nova Scotia, London Branch with a maximum drawable amount of £85 million available until September 2025 and credit approval for an additional 'accordion' amount available upon application for a further £50 million.

18. Financial instruments

Background
The Company's financial instruments comprise securities and other investments, cash balances and term loans, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income. The numerical disclosures below exclude short-term debtors and creditors which are denominated in sterling and do not incur interest and therefore are not subject to foreign currency risk or interest rate risk.

The principal risks the Company faces in its portfolio management activities are:

- foreign currency risk;
- market price risk i.e. movements in the value of investment holdings caused by factors other than interest rate or currency movement;
- interest rate risk;
- liquidity risk; and
- credit and counterparty risk.

The Investment Manager's policies for managing these risks are summarised in the following paragraph and have been applied throughout the year.

(a) Foreign currency risk
A portion of the financial assets of the Company are denominated in currencies other than sterling with the result that the Statement of Financial Position and the Income Statement can be significantly affected by currency movements.

The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

18. Financial instruments continued

Foreign currency sensitivity

The following tables illustrate the sensitivity of the revenue and capital returns, and accordingly net assets, to exchange rates for Sterling against the Euro, Danish Krone, Swiss Franc, Norwegian Krone and Swedish Krona. It assumes the following changes in exchange rates:

£/Euro nil% (2023: +/– 5%) £/Danish Krone nil% (2023: +/– 5%) £/Swiss Franc +/– 5% (2023: +/– 10%) £/Norwegian Krone nil% (2023: +/– 10%) Swedish Krona +/– 5% (2023: +/– nil%) US Dollar +/– 5% (2023: +/– nil%)

This percentage has been determined based on market volatility in exchange rates over the previous twelve months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at the date of the Statement of Financial Position.

If sterling had weakened against the currencies below this would have the following effect on revenue, capital, total return and, accordingly, net assets:

			2024			2023
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	–	–	–	(262)	29,076	28,814
US Dollar	(9)	979	970	–	–	–
Danish Krone	–	–	–	(61)	6,723	6,662
Norwegian Krone	–	–	–	(5)	571	566
Swiss Franc	(3)	345	342	(4)	422	418
Swedish Krona	(11)	1,197	1,186	–	–	–
	(23)	**2,521**	**2,498**	**(332)**	**36,792**	**36,460**

If sterling had strengthened against the currencies below this would have the following effect:

			2024			2023
	Impact on revenue return £'000	Impact on capital return £'000	Total £'000	Impact on revenue return £'000	Impact on capital return £'000	Total £'000
Euro	–	–	–	262	(29,076)	(28,814)
US Dollar	9	(979)	(970)	–	–	–
Danish Krone	–	–	–	61	(6,723)	(6,662)
Norwegian Krone	–	–	–	5	(571)	(566)
Swiss Franc	3	(345)	(342)	4	(422)	(418)
Swedish Krona	11	(1,197)	(1,186)	–	–	–
	23	**(2,521)**	**(2,498)**	**332**	**(36,792)**	**(36,460)**

Note that this represents the impact of investment valuations and management fees only.

NOTES TO THE ACCOUNTS continued

18. Financial instruments continued

(b) Market price risk
By the very nature of its activities, the Company's investments are exposed to market price fluctuations. The Board reviews and agrees policies for managing this risk. The Investment Manager assesses the exposure to market price risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. Further information on the investment portfolio and investment policy is set out in the Investment Manager's review.

Other price risk sensitivity
The following illustrates the sensitivity of the profit after taxation for the year and the total equity to an increase or decrease of 20% (2023: 20%) in the fair value of the Company's equities. This level of change is considered to be reasonably possible based on observation of market conditions during the year. The sensitivity analysis is based on the Company's equities at each year-end date, with all other variables held constant in the fair value price of the Company's equities.

The impact of a 20% increase in the value of investments on the capital return is an increase of £141,980,000 (2023: £187,264,000) due to the increase in investments.

The impact of a 20% fall in the value of investments on the capital return is a decrease of £141,980,000 (2023: £187,264,000) due to the decrease in investments.

(c) Interest rate risk
Interest rate movements may affect:

- the fair value of investments of any fixed interest securities;
- the level of income receivable from any floating interest-bearing securities and cash at bank and on deposit; and
- the interest payable on the Company's floating interest term loans.

The Board reviews regularly the values of the Company's fixed interest rate securities. The Board imposes limits on the Company's borrowing to ensure gearing levels are appropriate to market conditions, and these are monitored and reviewed on a regular basis. The Company's borrowings are conducted through a fixed rate facility, which allows the Investment Manager to finance opportunities at competitive rates.

Interest rate sensitivity
As interest rates for any short-term loans are fixed at the commencement of the loan, only cash at call are subject to interest rate movements.

All such deposits at call, earn interest at the applicable daily rate. At 31 May 2024, if interest rates on the £60 million drawn down under the Company's loan facility on that date (2023: £75 million) had been lowered by 25 basis points, with all other variables held constant, the increase in net assets attributable over the year would have been £150,000 (2023: £187,500).

18. Financial instruments continued

The financial assets (excluding short-term debtors) consist of:

Financial Assets			2024			2023
	Floating rate £'000	Non-interest bearing £'000	Total £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Sterling	3,970	177,343	181,313	5,852	210,407	216,259
Danish Krone	–	109,650	109,650	328	134,464	134,792
Euro	1,645	372,473	374,118	760	581,515	582,275
Norwegian Krone	–	–	–	–	5,713	5,713
Swedish Krona	–	23,941	23,941	–	–	–
Swiss Franc	–	6,906	6,906	11	4,219	4,230
US Dollar	–	19,585	19,585	–	–	–
	5,615	**709,898**	**715,513**	**6,951**	**936,318**	**943,269**

The floating rate assets consist of cash deposits at call. Sterling cash deposits at call earn interest at floating rates based on daily Sterling Overnight index Average (SONIA) rates.

The non-interest bearing assets represent the equity element of the investment portfolio at 31 May 2024.

The financial liabilities consist of:

Financial liabilities			2024			2023
	Fixed rate £'000	Non-interest bearing £'000	Total £'000	Fixed rate £'000	Non-interest bearing £'000	Total £'000
Sterling bank loans	60,000	1,957	61,957	75,000	8,776	83,776
	60,000	**1,957**	**61,957**	**75,000**	**8,776**	**83,776**

The fixed rate liabilities consist of a short-term bank loan with The Bank of Nova Scotia, London Branch.

(d) Liquidity risk
Liquidity risk is not considered significant. All liabilities are payable within three months.

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of short-term borrowings.

(e) Credit and counterparty risk
Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company manages credit risk by using brokers from a database of approved brokers who have undergone rigorous due diligence tests by Devon's risk management team and by dealing through Devon only with banks approved by the Financial Conduct Authority. The Board reviews credit risk on a quarterly basis. The maximum exposure to credit risk at 31 May 2024 was £8,497,000 consisting of short-term debtors and cash and cash equivalents (2023: £10,396,000), none of which was credit impaired.

NOTES TO THE ACCOUNTS continued

18. Financial instruments continued

This is based on the Company's credit exposure as at 31 May 2024. The adoption of the expected credit loss model for impairment under IFRS 9 has not had a material impact on the Company.

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. In the Investment Manager's opinion, due to the low level of expected future losses on cash and receivables, no provision has been made for ECLs.

(f) Fair value of financial assets and financial liabilities
The financial assets and financial liabilities are carried in the Statement of Financial Position at their fair value.

Fair value hierarchy
IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 reflects financial instruments quoted in an active market.

Level 2 reflects financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Level 3 reflects financial instruments whose fair value is determined in whole using a valuation technique based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

				2024				2023
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	709,898	–	–	709,898	936,318	–	–	936,318

(g) Use of derivatives
Pursuant to the Company's stated investment policy, the Company does not invest in derivative instruments, whether for efficient portfolio management, gearing or investment purposes.

(h) Capital management policies and procedures
The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market;
- the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount or premium);

18. Financial instruments continued

- the need for new issues of equity shares, including shares from treasury; 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 are unchanged from the preceding accounting period.

The Company is subject to several externally imposed capital requirements:

- The value of any short-term loans must be supported by a level of readily realisable assets.
- As a public company, the Company has a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year, and the Company has complied with them.

As at 31 May 2024 the Company's total capital was £656,438,000 (2023: £862,938,000) made up of:

	2024 £'000	2023 £'000
Shares	888	1,129
Reserves	655,550	861,809
Total capital	**656,438**	**862,938**

19. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments outstanding as at 31 May 2024 (2023: nil).

20. Related parties and the Investment Manager/AIFM

Devon Equity Management Limited ("Devon") has served as Investment Manager to the Company since 15 November 2019 and became AIFM on 1 July 2022. Details of the fees payable to the Investment Manager and other management arrangements are set out in the Directors' Report on page 34.

The fee payable to Devon for the period from 1 June 2023 to 31 May 2024 was £6,409,000 (2023: £7,733,000) with £1,310,000 outstanding at period end (2023: £1,985,000).

Fees payable to the Directors for the year ended 31 May 2024 were £188,000 (2023: £176,000) with £46,000 outstanding at year end (31 May 2023: £34,000). Fees paid to Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 46 to 50.

NOTES TO THE ACCOUNTS continued

21. Called-up share capital

	Number 000	2024 £'000	Number 000	2023 £'000
Authorised				
Ordinary shares of 1p each	305,000	3,050	305,000	3,050
Issued, called-up and fully paid				
Ordinary shares of 1p each				
Balance brought forward	98,458	985	102,584	1,026
Repurchase of shares into treasury*	(9,292)	(93)	(4,126)	(41)
Repurchase of shares for cancellation	(24,074)	(241)	–	–
Closing balance of shares	65,092	651	98,458	985
Treasury shares				
Balance brought forward	14,417	144	10,291	103
Repurchase of shares into treasury	9,292	93	4,126	41
Closing balance of shares held in treasury	23,709	237	14,417	144
Total	**88,801**	**888**	**112,875**	**1,129**

* During the year to 31 May 2024, the Company purchased 9,291,784 shares to be held in treasury and purchased 24,074,030 ordinary shares for cancellation pursuant to the tender offer implemented in January 2024.

22. Events after the reporting period

Since the financial year end 630,919 shares have been purchased to be held in treasury (as at 9 September 2024).

As detailed in Note 17, the Company's loan facility was renewed on 6 September 2024.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Investment Fund – an Alternative Investment Fund ('AIF') is defined as a collective investment undertaking, including investment compartments of such an undertaking, which (1) raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (2) does not require authorisation under the UCITS regime. The Company is an AIF.

AIFM/Alternative Investment Fund Manager – an Alternative Investment Fund Manager ('AIFM') is an entity that provides certain investment services to an AIF, including portfolio and risk management services. Devon Equity Management Limited is the Company's AIFM.

Alternative Investment Fund Managers Directive – a European Union Directive to provide a harmonised framework for monitoring and supervising risks posed by AIFMs and the AIFs they manage, and for strengthening the internal market in alternative funds. This directive was transitioned into UK law pursuant to The UK Alternative Investment Fund Managers Regulations 2013.

Alternative Performance Measures – The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.'

Benchmark – The Company's primary Benchmark Index, against which its performance is measured, is MSCI Europe index, total return in GBP.

Discount or Premium* – The share price of the Company is derived from buyers and sellers trading its shares on the stock market. The share price is not identical to the net asset value per share of the Company. If the share price is lower than NAV per share, the shares are trading at a discount. The discount is shown as a percentage of the NAV per share. Shares trading at a price above NAV per share are deemed to be at a premium.

		31 May 2024 pence	31 May 2023 pence
Net asset value per share	(a)	1,008.5	876.5
Share price	(b)	906.0	781.0
(Discount) or premium (c = (b-a)/a)	**(c)**	**(10.2%)**	**(10.9%)**

Discount management – Discount management is the process of the buyback or issuance of the Company's own shares by the Company, to and from its own holding or into 'treasury' with the intention of managing any imbalance between supply and demand for the Company's shares and thereby the market price. The aim is that, in normal market conditions, the market price of the Company's shares will not materially vary from its net asset value per share. The authority to repurchase or issue the Company's own shares is voted upon by the shareholders at each Annual General Meeting.

Gearing* – Gearing is the borrowing of cash to buy more assets for the portfolio with the aim of making a gain on those assets larger than the cost of the loan. However, if the portfolio doesn't perform well the gain might not cover the costs. The more an investment company gears, the higher the risk. Gearing is typically expressed as a percentage of Net Asset Value.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES continued

Borrowings have a prior charge over the assets of the Company, ranking before shareholders in their entitlement to capital and/or income. Borrowings may include preference shares; debentures; overdrafts and short and long-term loans from banks. If the Company has cash assets, these may be assumed either to net off against borrowings, giving a 'net' or 'effective' gearing percentage, or to be used to buy investments, giving a 'gross' or 'fully invested' gearing figure. Where cash assets exceed borrowings, the Company is described as having 'net cash'. The Company's maximum permitted level of gearing is set by the Board and is described within the Strategic Report on page 18.

Gearing

		31 May 2024 £'000	31 May 2023 £'000
Loan		60,000	75,000
Less cash and cash equivalents†		(4,601)	1,479
Total	(a)	55,399	76,479
Net asset value	(b)	656,438	862,938
Gearing (c = a/b)††	**(c)**	**8.4%**	**8.9%**

† Includes unsettled transactions as at 31 May 2024 of £1,014,000 (2023: unsettled transaction resulted in a temporary creditors of £1,479,000. This amount was added to the loan amount in the table above).
†† Gross (unadjusted for cash and cash equivalents) gearing at year end was 9.1% (2023: 8.7%).

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

The Board has set maximum levels of leverage that it considers to be reasonable. Devon has implemented systems to calculate and monitor compliance against these limits and has ensured that the limits have been complied with at all times.

- The maximum permitted leverage calculated on the gross basis is 1.5 times. As at 31 May 2024 gross leverage calculated on the gross basis was 1.09 times (2023: 1.08 times); and

- The maximum permitted leverage calculated on the commitment basis is 2.0 times. As at 31 May 2024 leverage calculated on the commitment basis was 1.09 times (2023: 1.09 times).

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES continued

Middle market price – The mid-market price is the mid-point between the buy and the sell prices.

Net asset value – The net asset value in relation to the Company is the market value of its assets less its liabilities (and is sometimes also referred to as Shareholders' Funds). The market value is usually determined by the price at which an investor can redeem a share. For valuation purposes it is common to express the net asset value on a per share basis.

Ongoing charges ratio* – Ongoing charges are the total expenses including both the investment management fee and other costs. The costs of buying and selling investments are excluded, as are interest costs on the Company's loan facility, taxation, non-recurring costs (including the cost of implementing the tender offer in January 2024) and the costs of buying back or issuing shares. The ongoing charges ratio is calculated in line with the AIC's recommended methodology and is expressed as a percentage of net asset value.

		31 May 2024 £'000	31 May 2023 £'000
Management fee		6,409	7,733
Other expenses		1,359	951
Total	(a)	7,768	8,684
Average daily net assets	(b)	798,568	854,560
Ongoing charges c= (a/b)*100	**(c)**	**0.97**	**1.02**

Return – The return generated in a given period from the investments:

- **Revenue return** – reflects the dividend and interest from investments and other income net of expenses, finance costs and taxation;
- **Capital return** – reflects the capital gain or loss, excluding any revenue return; and
- **Total return*** – reflects the aggregate of revenue and capital returns and is the theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the share price or net asset value in the period. The dividends are assumed to have been re-invested in the form of shares or net assets, respectively, on the date on which the shares were quoted ex-dividend.

	Net asset value	Share price
Net asset value/share price per share at 31 May 2023 (pence)	876.5	781.0
Net asset value/share price per share at 31 May 2024 (pence)	1008.5	906.0
Change in the period under review	15.1%	16.0%
Impact of dividend reinvested on payment date	0.4%	0.5%
Total return for the year	**15.5%**	**16.5%**

Treasury shares – Shares of the Company that have been repurchased by the Company and not cancelled but held in Treasury. These shares do not pay dividends, have no voting rights and are excluded from the net asset value per share calculation.

* An Alternative Performance Measure.

COMPANY INFORMATION

Directors	Matthew Dobbs (Chair) Sharon Brown Jeroen Huysinga The Rt Hon Lord Lamont of Lerwick Manisha Shukla (appointed on 1 September 2023) Neeta Patel (appointed on 1 January 2024)
Registered office	123 Victoria Street London SW1E 6DE www.europeanopportunities.com Telephone: 0203 985 0445 Email: enquiries@devonem.com
Investment Manager, Company Secretary and AIFM	Devon Equity Management Limited 123 Victoria Street London SW1E 6DE Authorised and regulated by the Financial Conduct Authority
Custodian, Administrator and provider of company secretarial services	J.P. Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London E14 5JP Authorised and regulated by the Financial Conduct Authority
Depositary	J.P. Morgan Europe Limited 25 Bank Street Canary Wharf London E14 5JP Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

COMPANY INFORMATION continued

Registrar	Link Group Central Square 29 Wellington Street Leeds LS1 4DL **Telephone:** 0371 664 0300 Lines are open from 9.00am to 5.30pm Monday to Friday. Calls are charged at the standard geographic rate and will vary by provider. **Telephone (international)**: +44 (0)371 664 0300 (Calls outside the United Kingdom will be charged at the applicable international rate) www.linkgroup.eu Email: shareholderenquiries@linkgroup.co.uk Link Group offer shareholders a free online service called Share Portal, enabling shareholders to access a comprehensive range of shareholder related information. Through Share Portal, shareholders can: view their current and historical shareholding details; obtain an indicative share price and valuation; amend address details; view details of dividend payments; and apply for dividends to be paid directly to a bank or change existing bank details. Shareholders can access these services at www.signalshares.com. Shareholders will need to register for a Share Portal Account by completing an on-screen registration form. An email address is required.
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Broker	Singer Capital Markets 1 Bartholomew Lane London EC2N 2AX Authorised and regulated by the Financial Conduct Authority
Company information	Registered at Companies House in England & Wales with number 4056870 An investment Company under s.833 of the Companies Act 2006 **LEI:** 549300XN7RXQWHN18849 **FATCA GIIN:** G0YWMG.99999.SL.826 **Sedol:** 0019772 **ISIN:** GB0000197722 **Ticker:** EOT.LN The Company conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products and intends to continue to do so. The Company is a member of The Association of Investment Companies ('AIC') from whom general information on investment trusts can be obtained by telephoning 020 7282 5555 or by email to enquiries@theaic.co.uk.

FURTHER INFORMATION

Capital Gains Tax information	The closing middle market price of the Company's shares on the first date of dealing (20 November 2000) for Capital Gains Tax purposes was 101.5p.
MSCI Europe data	This document contains information based on the MSCI Europe index. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.
Further Information	Visit www.europeanopportunities.com or use the QR code below for further information on the Company, including regulatory disclosures, factsheets and past annual and interim results. Should you wish to be added to an email distribution list for monthly newsletter, please send an email to enquiries@devonem.com.

NOTICE OF ANNUAL GENERAL MEETING

This Notice of Meeting is an important document. If you are in any doubt as to what action to take, you should consult an appropriate independent adviser.

Notice is hereby given that the Annual General Meeting of European Opportunities Trust PLC will be held at the offices of Devon Equity Management Limited, 123 Victoria Street, London, SW1E 6DE at 11.00 am on Wednesday, 13 November 2024.

Shareholders will be asked to consider and, if thought fit, pass resolutions 1 to 10 which will be proposed as ordinary resolutions, and resolutions 11 to 14, which will be proposed as special resolutions:

ORDINARY BUSINESS

1. That the Report of the Directors and the Audited Accounts of the Company for the year ended 31 May 2024 be received.
2. That the Directors' Remuneration Report for the year ended 31 May 2024 be approved.
3. That a final dividend of 2.0p per ordinary share be paid in respect of the financial year ended 31 May 2024.
4. That Matthew Dobbs be re-elected as Director of the Company.
5. That Jeroen Huysinga be re-elected as a Director of the Company.
6. That Sharon Brown be re-elected as a Director of the Company.
7. That Manisha Shukla be re-elected as a Director of the Company.
8. That Neeta Patel be elected as a Director of the Company.
9. That PricewaterhouseCoopers LLP be re-appointed as Auditors of the Company.
10. That the Directors be authorised to agree the remuneration of the Auditors.

SPECIAL BUSINESS

11. That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the 'Act'), in substitution for and to the exclusion of any outstanding authority previously conferred on the Directors under Section 551 of the Act, to allot shares in the capital of the Company ('shares') up to a maximum aggregate nominal amount of £60,000 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

12. That the Directors of the Company be and are hereby granted power pursuant to Section 570 and/or Section 573 of the Companies Act 2006 ('the Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash either pursuant to the authority conferred by Resolution 11 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities up to an aggregate nominal amount of £60,000 and;

    (b) in addition to the authority referred to in (a) above, an offer of equity securities by way of a rights issue or open offer to ordinary shareholders in proportion as nearly as may be practicable to their existing holdings subject to such limits or restrictions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or securities represented by depositary receipts, record dates, legal, regulatory or practical problems in, or under the laws or requirements of, any territory or the requirements of any regulatory body or stock exchange or any other matter,

NOTICE OF ANNUAL GENERAL MEETING continued

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority hereby conferred had not expired.

13. That the Company be and is generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of Section 693 of the Act) of ordinary shares provided that:

    (a) the maximum number of shares that may be purchased is 9,750,000 ordinary shares, being 14.99% of the issued number of ordinary shares at the date of this document or, if lower, such number as is equal to 14.99% of the issued number of ordinary shares at the date of passing the resolution;

    (b) the minimum price which may be paid shall be one pence per ordinary share;

    (c) the maximum price (excluding the expenses of such purchase) which may be paid for each ordinary share is the higher of:

        (i) 105% of the average middle market quotations for such ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is purchased; and

        (ii) the higher of the price of the last independent trade in the ordinary shares and the highest then current independent bid for an ordinary share as derived from the London Stock Exchange; and

    (d) unless renewed, the authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

14. That a General Meeting other than the Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Devon Equity Management Limited
Company Secretary
123 Victoria Street
London SW1E 6DE

19 September 2024

NOTES FOR ANNUAL GENERAL MEETING

1. The 2024 AGM will be held in person at the Company's registered office. A Member entitled to attend and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a Member of the Company. A form of proxy, if used, must be lodged at the Company's registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL not less than 48 hours (excluding non-business days) before the Meeting (or, in the case of adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). To appoint more than one proxy you may photocopy a paper proxy. You may appoint a person other than the Chair as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be entered on the Company's Register of Members 48 hours prior to the Meeting. If the Meeting is adjourned then, to be so entitled, Members must be entered on the Company's Register of Members 48 hours prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.
3. Electronic proxy voting is available for this meeting. If you would like to submit your voting instructions using the web-based voting facility please go to www.signalshares.com. If you have not already registered with Signal Shares you will need your Investor Code which can be found on your share certificate or a recent dividend certificate. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu.
4. Alternatively, you can vote via LinkVote+, a free app for smartphone and tablet provided by Link Group (the Company's registrar). It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The app is available to download on both the Apple App Store and Google Play. QR codes to facilitate this are shown below.

Apple App Store

GooglePlay

5. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by Link Group. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged not less than 48 hours prior to the time of the Meeting as specified in the Notice of Annual General Meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. 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.
6. If you require a paper form of proxy please email the Company's registrar, Link Group, at shareholderenquiries@linkgroup.co.uk or you may call Link on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 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.
7. Completion and return of a form of proxy (or the electronic appointment of a proxy) will not preclude a shareholder from attending and voting at the AGM should they wish.

NOTES FOR ANNUAL GENERAL MEETING continued

8. As at 9 September 2024, being the latest practicable date prior to the publication of this notice, the Company's issued share capital consisted of 88,801,301 ordinary shares of 1p each, of which 24,340,436 were held in treasury. As a result, the total voting rights as at 9 September 2024 were 64,460,865.

9. The vote 'Withheld' is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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 CREST's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Company's agent ID (RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of 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 Applications Host) from which the Company's agent 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 providers should note that CREST does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. 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 his 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 service 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. 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.

11. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

12. A copy of the Notice of Meeting and other information required by section 311A of the Companies Act 2006, can be found at www.europeanopportunities.com.

13. Under Sections 338 and 338A of the 2006 Act, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business at the meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

NOTES FOR ANNUAL GENERAL MEETING continued

14. Under Section 527 of the Act, Members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditors of the Company ceasing to hold office since the previous AGM at which the 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 cover any costs incurred in complying with Section 527 or 528 and is required to forward any statement placed on a website to the Company's auditors not later than the time when it makes the statement on the website. The business which may be dealt with at the Meeting includes any statements that the Company has been required under Section 527 of the Act to publish on a website.
15. Shareholders are advised that, unless otherwise stated, any telephone number, website and email address set out in this Notice of Meeting, Form of Proxy, or Annual Report should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the Company's AGM).
16. International financial sanctions regimes, including those related to the ongoing war in Ukraine, may constrain the ability of shareholders subject to sanctions to exercise the rights attaching to their ordinary shares, including rights to vote, and to have those votes recognised by the Company. The Company's obligation to take into account the votes of its shareholder will, at all times, remain subject to compliance with all applicable laws and regulations.
17. Should you have any queries about voting or the Annual General Meeting please contact the Company's registrars, Link Group, whose contact details are set out on page 84.

DEVON
Equity Management

FSC
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C001785

WORLD LAND TRUST™
www.carbonbalancedpaper.com
CBP019874

Carbon neutral Company
ClimatePartner.com/13766-2211-1003

This report was printed by Park Communications, a certified carbon neutral print company, on Revive Offset an FSC® certified recycled paper. The FSC® label on this product ensures responsible use of the world's forest resources.

Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001. This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This is a certified climate neutral print product for which carbon emissions have been calculated and offset by supporting recognised carbon offset projects.

The carbon offset projects are audited and certified according to international standards and demonstrably reduce emissions.