

Interim
Financial Report

31 October 2024

Baillie Gifford UK Growth Trust plc

Managed by

Baillie Gifford™

Baillie Gifford UK Growth Trust's objective is to achieve capital growth predominantly from investment in UK equities, with the aim of providing a total return in excess of the FTSE All-Share Index.

Benchmark

The portfolio benchmark against which performance has been measured is the FTSE All-Share Index total return.

Principal risks and uncertainties

The principal risks facing the Company are financial risk, investment strategy risk, discount risk, climate and governance risk, regulatory risk, custody and depositary risk, operational risk, leverage risk, political risk, cyber security risk and emerging risks. An explanation of these risks and how they are managed is set out on pages 34 to 37 of the Company's Annual Report and Financial Statements for the year to 30 April 2024 which is available on the Company's website: [bgukgrowthtrust.com](https://www.bgukgrowthtrust.com). The principal risks and uncertainties have not changed since the date of that report.

Responsibility statement

We confirm that to the best of our knowledge:

- a. the condensed set of Financial Statements has been prepared in accordance with FRS 104 'Interim Financial Reporting';
- b. the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months, their impact on the Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year); and
- c. the Interim Financial Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

On behalf of the Board
Neil Rogan
Chairman
28 November 2024

Summary of unaudited results*

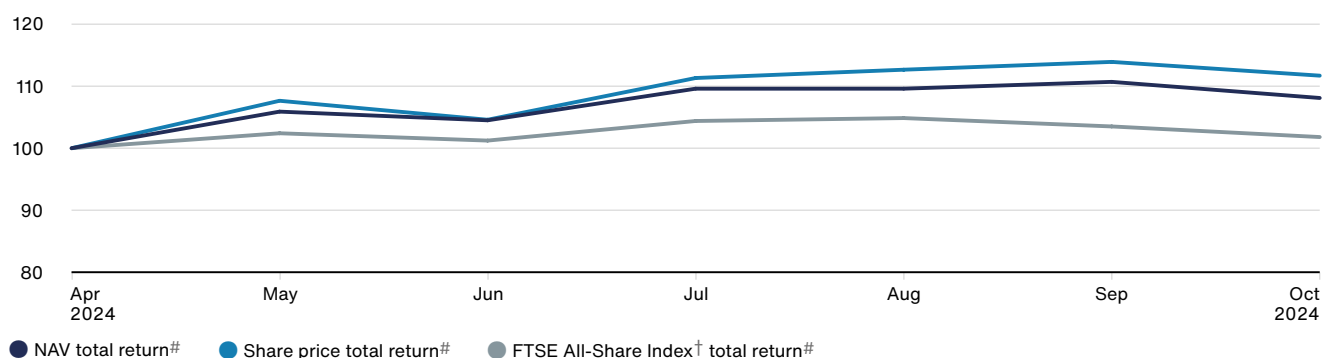
| | 31 October 2024 | 30 April 2024 (audited) | % change |
|-------------------------------------|-----------------|----------------------------|----------|
| Shareholders' funds* | £287.8m | £283.2m | |
| Net asset value per ordinary share# | 203.1p | 193.0p | 5.2 |
| Share price | 177.0p | 163.5p | 8.3 |
| FTSE All-Share Index† | | | 0.0 |
| Discount# | (12.9%) | (15.3%) | |
| Active share# | 87% | 87% | |
| Invested gearing# | 6% | 5% | |

| | Six months to 31 October 2024 | Six months to 31 October 2023 | % change |
|-------------------------------------|----------------------------------|----------------------------------|----------|
| Revenue earnings per ordinary share | 2.45p | 2.78p | (11.9) |

| | Six months to 31 October 2024 | Year to 30 April 2024 |
|------------------------------------|----------------------------------|--------------------------|
| Total returns (%)# | | |
| Net asset value per ordinary share | 8.1 | 0.6 |
| Share price | 11.7 | (0.5) |
| FTSE All-Share Index† | 1.8 | 7.5 |

Six months performance

(figures plotted on a monthly basis and rebased to 100 at 30 April 2024)



* For a definition of terms see Glossary of terms and Alternative Performance Measures on pages 18 and 19.

† Source: LSEG/Baillie Gifford and relevant underlying data providers. See disclaimers on page 21.

Alternative Performance Measure, see Glossary of terms and Alternative Performance Measures on pages 18 and 19.

Past performance is not a guide to future performance.

Chairman's interim update

I am in the fortunate position of writing my first Chairman's statement for the Company at a time when performance has improved.

Over the six months to 31 October 2024 your NAV per share total return was +8.1% and your share price total return was +11.7%, both outperforming the FTSE All-Share Index total return of +1.8%. As you can see in the table below the one-year performance numbers are also significantly ahead of the benchmark index, but the three-year and five-year performance numbers still lag considerably behind. Iain and Milena analyse performance in more detail in their report.

Total return performance*

| | 6 month | 1 Year | 3 Year | 5 Year |
|-----------------------|---------|--------|---------|--------|
| FTSE All-Share Index† | 1.8% | 16.3% | 19.7% | 31.9% |
| NAV | 8.1% | 23.6% | (10.2%) | 15.3% |
| Share price | 11.7% | 27.1% | (16.3%) | 13.4% |

There is still much work to be done by the Managers and by the Board to turn around this Company. Obviously, the main determinant of our future success will be building on this performance improvement over the next three to five years. Your Board believes that the ingredients are in place for Baillie Gifford to deliver this improvement, with their clear investment philosophy, a robust investment process and a strong team led by Iain and Milena managing the portfolio. They have learnt the pitfalls of their style of investing, such as paying too high an entry price for a good company or holding on too long when something starts to go wrong. Their response has been an intensive programme of company meetings to review and upkeep the validity of the investment case for all your holdings.

What can the Board do? We have introduced a 100% performance conditional tender, which means that shareholders will be given in 2029 the opportunity to tender as much of their holding as they wish at a 2% discount to NAV if performance fails to beat the comparative index over the five-year period to 30 April 2029. We have also committed to an extra continuation vote in 2027. And we have stepped up our buyback program this year to the extent that we have bought back 4,957,992 shares in the six months to 31 October 2024, representing 3.4% of the number of shares in issue at the start of the year.

We can also set expectations. Baillie Gifford's investment style means that this Company is likely to perform best when markets are rising, when growth stocks are outperforming value stocks and when mid- and small-cap stocks are outperforming large-caps. Because the active share of the portfolio is large (87%; meaning that 87% of the portfolio is different from the FTSE All-Share Index) performance outcomes are likely to remain significantly different to the index.

The Board's dividend policy remains unchanged, which is to pay out at least 85% of earned income in one payment per year, putting any excess into revenue reserves. The Board is responsible for the level of ongoing charges which was a competitive 0.70% per annum at 30 April 2024. The major component of this is the 0.50% management fee paid to Baillie Gifford.

Turning to Board composition, I would like to record the Board's thanks to Carolan Dobson who stood down as Chairman in August having served on the board for nearly ten years. We are in the final stages of recruiting a new director whom we expect to join in January 2025.

* Alternative Performance Measure, see Glossary of terms and Alternative Performance Measures on pages 18 and 19.

† Source: LSEG/Baillie Gifford and relevant underlying data providers. See disclaimers on page 21.

Past performance is not a guide to future performance.

Outlook

Looking at the numbers reveals we have in Baillie Gifford UK Growth Trust a portfolio of growth companies on unusually attractive valuations. The blended historic price to earnings ratio for the portfolio is around 20 times, with 10% earnings growth predicted for the next three years and companies that should produce superior growth beyond that horizon. This is a much better starting position for a growth portfolio than has been the case for many years. Many of the companies held will be able to grow even if the UK economy remains lacklustre. But the real excitement would come if the UK was able to unleash its growth potential. The new Government's policy is geared towards increasing growth in the economy but achieving this will be challenging.

The best-case scenario would see a return to the growth style tailwind that helps Baillie Gifford perform at the same time as the UK moving back up towards its normal valuation levels versus world markets and investment trust discounts reverting to mean. Any one of these would be good news for shareholders.

Neil Rogan
Chairman
28 November 2024

Interim management report

Even as bottom up investors, it was hard to ignore the chatter surrounding the UK General Election, interest rate cuts, the political drama across in the US and efforts by the Chinese to stimulate their economy. However the relatively small bounce in the FTSE All-Share over the period did highlight that these factors are often more short term and transitory than many people think. What was undoubtedly important from a psychological viewpoint was the cut in interest rates by the Bank of England in August. There has been no doubt that for growth investors the rapid rise in interest rates since the outbreak of inflation post the Covid lockdown has been a significant headwind. The fact that inflation rates have fallen significantly and that interest rates appear to have peaked should allow the stock market to focus more on fundamentals of companies bodes well for our highly differentiated portfolio with the growth potential it contains.

This trend played out to some extent in the period, although it is a very short period to draw firm conclusions. Nevertheless, good operational performance was rewarded with notable share price rises in holdings such as Autotrader, Experian, Games Workshop, Volution, Just Group and AJ Bell. The welcome absence of no further bad news from the wealth manager St James's Place also led a large jump in the share price albeit from a fairly low level at the start of the period. On the less positive side, the market was still unforgiving of trading disappointments as we saw in holdings such as Diageo & Burberry (poor trading from both), Page Group (a tough current climate for recruitment firms) and Kainos (Government IT contract delays). Elsewhere some of our engineers such as Renishaw and Bodycote fell as markets worried about the impact of some tough end markets on their near term prospects.

Transactions

There were a few notable transactions in the period. We exited our position in Victrex, the speciality chemicals business as we grew increasingly downbeat that the new product areas they are trying to commercialise are taking longer than hoped and may not be material enough to make a difference to the more mature core business.

We decided to sell our position in Hargreaves Lansdown following its agreed takeover by private equity. We have been disappointed by the performance of this leading savings platform business in recent years, as a number of management missteps have ultimately led to disappointing inflows into their platform in comparison to the other platform businesses owned in the portfolio such as Integraftin and notably AJ Bell. Whilst we had been impressed by the new CEO at Hargreaves Lansdown and his plans for getting a grip on the business, we also felt that it would take time and money to fix, so it was not a total surprise that an opportunistic bid at a difficult time for the business was accepted by the board given the uplift to the prevailing share price.

We also sold our longstanding position in the financial spread betting business IG Group after a decent bounce in the share price. A new CEO has been installed and has been brutally honest that while the business is very profitable, it has lost market share and missed out on growth opportunities by not being nimble enough. While we found that candour refreshing, we decided that there were risks in his reset strategy which might involve acquisitions where this business has had decidedly mixed results in the past.

Finally, we bought a new holding in Applied Nutrition at its floatation on the market. The business is founder led, has built a strong and profitable position in certain sports related markets and we think it has the opportunity to grow significantly both in the UK and more importantly internationally. Encouraging evidence of the latter is signing up well known supermarkets to stock some of their products and they believe that these relationships can be materially expanded in the future. We think Applied Nutrition's edge is having a nimble and innovative culture where the business can test and launch new flavours or products in relatively short order in comparison to competitors.

Outlook

Our style as managers is to stick to our processes, keep a vigilant eye on our holdings and try to avoid being unduly despondent or euphoric. While it is pleasing to see a decent period of performance for the Company, we are not getting carried away. What we are more concerned with is owning a portfolio of exciting growth names and trying to ensure that the management teams are executing on that long term potential. In turbulent times this remains a challenge, but at the same time the rewards for owners of such businesses that can execute on their plans is as attractive and as relevant as ever.

Iain McCombie and Milena Mileva
Baillie Gifford & Co
28 November 2024

The managers' core investment principles

Investment philosophy

The following are the three core principles underpinning our investment philosophy. We have a consistent, differentiated long-term investment approach to managing UK equities that should stand investors in the Company in good stead:

Growth

We search for the few companies which have the potential to grow substantially and profitably over many years. Whilst we have no insight into the short-term direction of a company's share price, we believe that, over the longer term, those companies which deliver above average growth in cash flows will be rewarded with above average share price performance and that the power of compounding is often under-appreciated by investors. Successful investments will benefit from a rising share price and also from income accumulated over long periods of time.

Patience

Great growth companies are not built in a day. We firmly believe that investors need to be patient to fully benefit from the scale of the potential. Our investment time horizon, therefore, spans decades rather than quarters. This patient, long-term approach affords a greater chance for the superior growth and competitive traits of companies to emerge as the dominant influence on their share prices and allows compounding to work in the investors' favour.

Active investment management

It is our observation that many investors pay too much attention to the composition of market indices and active managers should make meaningful investments in their best ideas regardless of the weightings of the index. For example, we would never invest in a company just because it is large or to reduce risk. As a result, shareholders should expect the composition of the portfolio to be significantly different from the benchmark. This differentiation is a necessary condition for delivering superior returns over time and shareholders should be comfortable tolerating the inevitable ups and downs in short-term relative performance that will follow from that. Portfolio construction flows from the investment beliefs stated above.



Peak District, UK

List of investments

as at 31 October 2024 (unaudited)

| Name | Business | Value £'000 | % of total assets * |
|-------------------------------|--|----------------|------------------------|
| Basic materials | | | |
| Rio Tinto | Metals and mining company | 5,662 | 1.8 |
| | | 5,662 | 1.8 |
| Consumer discretionary | | | |
| Games Workshop | Toy manufacturer and retailer | 17,802 | 5.7 |
| Howden Joinery | Manufacturer and distributor of kitchens to trade customers | 12,111 | 3.9 |
| 4imprint | Direct marketer of promotional merchandise | 9,679 | 3.1 |
| RELX | Professional publications and information provider | 6,327 | 2.0 |
| Moonpig | Online greetings card and gifting platform | 5,731 | 1.8 |
| Burberry | Luxury goods retailer | 3,128 | 1.0 |
| | | 54,778 | 17.5 |
| Consumer staples | | | |
| Diageo | International drinks company | 6,824 | 2.2 |
| Applied Nutrition | Premium nutrition supplement retailer | 1,333 | 0.4 |
| | | 8,157 | 2.6 |
| Financials | | | |
| AJ Bell | UK wealth manager | 13,125 | 4.2 |
| Just Group | Provider of retirement income products and services | 10,494 | 3.4 |
| St. James's Place | UK wealth manager | 8,717 | 2.8 |
| Legal & General | Insurance and investment management company | 8,465 | 2.7 |
| Lancashire Holdings | General insurance | 7,653 | 2.5 |
| IntegraFin | Provides platform services to financial clients | 7,216 | 2.3 |
| Prudential | International life insurer | 5,943 | 1.9 |
| Hiscox | Property and casualty insurance | 5,232 | 1.7 |
| Molten Ventures | Technology focused venture capital firm | 4,428 | 1.4 |
| | | 71,273 | 22.9 |
| Healthcare | | | |
| Genus | World leading animal genetics company | 8,336 | 2.7 |
| Creo Medical | Designer and manufacturer of medical equipment | 835 | 0.3 |
| Exscientia | Biotech company | 496 | 0.1 |
| Oxford Nanopore | Novel DNA sequencing technology | 415 | 0.1 |
| | | 10,082 | 3.2 |

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and Alternative Performance Measures on pages 18 to 19.
Stocks highlighted in bold are the 20 largest holdings.

| Name | Business | Value £'000 | % of total assets * |
|---|--|----------------|------------------------|
| Industrials | | | |
| Volusion Group | Supplier of ventilation products | 18,498 | 5.9 |
| Experian | Global provider of credit data and analytics | 17,225 | 5.5 |
| Ashtead | Construction equipment rental company | 13,929 | 4.5 |
| Wise | Online platform to send and receive money | 9,616 | 3.1 |
| Bunzl | Distributor of consumable products | 8,794 | 2.8 |
| Renishaw | Metrology company | 8,026 | 2.6 |
| Halma | Specialist engineer | 7,935 | 2.5 |
| Inchcape | Car wholesaler and retailer | 7,015 | 2.2 |
| Bodycote | Heat treatment and materials testing | 5,152 | 1.7 |
| PageGroup | Recruitment consultancy | 3,902 | 1.2 |
| FDM Group | Provider of professional services focusing on information technology | 2,771 | 0.9 |
| | | 102,863 | 32.9 |
| Real estate | | | |
| Rightmove | Online property portal | 6,262 | 2.0 |
| Helical | Property developer | 3,618 | 1.2 |
| | | 9,880 | 3.2 |
| Technology | | | |
| Auto Trader Group | Advertising portal for second hand cars in the UK | 18,103 | 5.8 |
| Softcat | IT reseller and infrastructure solutions provider | 10,501 | 3.4 |
| Kainos Group | IT services and implementer | 6,825 | 2.2 |
| First Derivatives | IT consultant and software developer | 4,452 | 1.4 |
| Wayve Technologies Ltd Series B Pref. ^① | Developer of fully autonomous driving systems | 3,338 | 1.1 |
| | | 43,219 | 13.9 |
| Total equities | | 305,914 | 98.0 |
| Net liquid assets | | 6,272 | 2.0 |
| Total assets * | | 312,186 | 100.0 |

^① Denotes private company investment.

* Total assets less current liabilities, before deduction of borrowings. See Glossary of terms and Alternative Performance Measures on pages 18 to 19.

Stocks highlighted in bold are the 20 largest holdings.

Income statement (unaudited)

| | Notes | For the six months ended 31 October 2024 | | |
|---|-------|--|------------------|----------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 |
| Gains/(losses) on investments | | - | 19,037 | 19,037 |
| Currency (losses)/gains | | - | (20) | (20) |
| Income | | 4,281 | - | 4,281 |
| Investment management fee | 3 | (223) | (520) | (743) |
| Other administrative expenses | | (306) | - | (306) |
| Net return before finance costs and taxation | | 3,752 | 18,497 | 22,249 |
| Finance cost of borrowings | | (208) | (485) | (693) |
| Net return before taxation | | 3,544 | 18,012 | 21,556 |
| Tax | | - | - | - |
| Net return after taxation | | 3,544 | 18,012 | 21,556 |
| Net return per ordinary share | 4 | 2.45p | 12.44p | 14.89p |
| Note: | 5 | - | | |
| Dividends paid and payable per share | | | | |

The total column of this statement is the profit and loss account of the Company. The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statements derive from continuing operations.

A Statement of Comprehensive Income is not required as all gains and losses of the Company have been reflected in the above statement.

The accompanying notes on pages 15 to 17 are an integral part of the Financial Statements.

| For the six months to 31 October 2023 | | | For the year ended 30 April 2024 (audited) | | |
|---------------------------------------|------------------|-----------------|--|------------------|----------------|
| Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| - | (38,005) | (38,005) | - | (6,288) | (6,288) |
| - | 54 | 54 | - | (93) | (93) |
| 4,812 | - | 4,812 | 9,787 | - | 9,787 |
| (208) | (484) | (692) | (421) | (982) | (1,403) |
| (267) | - | (267) | (568) | - | (568) |
| 4,337 | (38,435) | (34,098) | 8,798 | (7,363) | 1,435 |
| (155) | (361) | (516) | (314) | (732) | (1,046) |
| 4,182 | (38,796) | (34,614) | 8,484 | (8,095) | 389 |
| - | - | - | - | - | - |
| 4,182 | (38,796) | (34,614) | 8,484 | (8,095) | 389 |
| 2.78p | (25.81p) | (23.03p) | 5.68p | (5.42p) | 0.26p |
| - | | | 5.60p | | |

Balance sheet (unaudited)

| | Notes | At 31 October 2024 £'000 | At 30 April 2024 £'000 |
|---|-------|--------------------------------|------------------------------|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 6 | 305,914 | 296,590 |
| Current assets | | | |
| Debtors | | 563 | 2,242 |
| Cash and cash equivalents | | 6,812 | 1,917 |
| | | 7,375 | 4,159 |
| Creditors | | | |
| Amounts falling due within one year: | | | |
| Bank loan | 7 | (24,350) | (16,350) |
| Other creditors | | (1,102) | (1,246) |
| | | (25,452) | (17,596) |
| Net current liabilities | | (18,077) | (13,437) |
| Net assets | | 287,837 | 283,153 |
| Capital and reserves | | | |
| Share capital | | 40,229 | 40,229 |
| Share premium account | | 11,664 | 11,664 |
| Capital redemption reserve | | 19,759 | 19,759 |
| Warrant exercise reserve | | 417 | 417 |
| Share purchase reserve | | 40,619 | 49,380 |
| Capital reserve | | 161,520 | 143,508 |
| Revenue reserve | | 13,629 | 18,196 |
| Shareholders' funds | | 287,837 | 283,153 |
| Net asset value per ordinary share* | | 203.1p | 193.0p |
| Ordinary shares in issue | 8 | 141,720,515 | 146,678,507 |

* See Glossary of terms and Alternative Performance Measures on pages 18 and 19.
The accompanying notes on pages 15 to 17 are an integral part of the Financial Statements.

Statement of changes in equity (unaudited)

Six months to 31 October 2024

| | Notes | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Warrant exercise reserve £'000 | Share purchase reserve £'000 | Capital reserve * £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|---|-------|------------------------|-----------------------------------|---|---|---------------------------------------|-------------------------------|-----------------------------|---------------------------------|
| Shareholders' funds at 1 May 2024 | | 40,229 | 11,664 | 19,759 | 417 | 49,380 | 143,508 | 18,196 | 283,153 |
| Net return after taxation | | - | - | - | - | - | 18,012 | 3,544 | 21,556 |
| Ordinary shares bought back into treasury | 8 | - | - | - | - | (8,761) | - | - | (8,761) |
| Dividends paid | 5 | - | - | - | - | - | - | (8,111) | (8,111) |
| Shareholders' funds at 31 October 2024 | | 40,229 | 11,664 | 19,759 | 417 | 40,619 | 161,520 | 13,629 | 287,837 |

Six months to 31 October 2023

| | Notes | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Warrant exercise reserve £'000 | Share purchase reserve £'000 | Capital reserve * £'000 | Revenue reserve £'000 | Shareholders' funds £'000 |
|---|-------|------------------------|-----------------------------------|---|---|---------------------------------------|-------------------------------|-----------------------------|---------------------------------|
| Shareholders' funds at 1 May 2023 | | 40,229 | 11,664 | 19,759 | 417 | 55,628 | 151,603 | 15,122 | 294,422 |
| Net return after taxation | | - | - | - | - | - | (38,796) | 4,182 | (34,614) |
| Ordinary shares bought back into treasury | 8 | - | - | - | - | (865) | - | - | (865) |
| Dividends paid | 5 | - | - | - | - | - | - | (5,410) | (5,410) |
| Shareholders' funds at 31 October 2023 | | 40,229 | 11,664 | 19,759 | 417 | 54,763 | 112,807 | 13,894 | 253,533 |

* The Capital Reserve balance at 31 October 2024 includes investment holding gains of £21,746,000 (31 October 2023 – losses of £41,156,000). The accompanying notes on pages 15 to 17 are an integral part of the Financial Statements.

Cash flow statement (unaudited)

| | Six months to 31 October 2024 £'000 | Six months to 31 October 2023 £'000 |
|--|---|---|
| Cash flows from operating activities | | |
| Net return before taxation | 21,556 | (34,614) |
| <i>Adjustments to reconcile company profit before tax to net cash flow from operating activities</i> | | |
| Net (gains)/losses on investments | (19,037) | 38,005 |
| Currency losses/(gains) | 20 | (54) |
| Finance costs of borrowings | 693 | 516 |
| <i>Other capital movements</i> | | |
| Changes in debtors | 1,087 | 1,264 |
| Changes in creditors | (6) | (84) |
| Cash from operations* | 4,313 | 5,033 |
| Interest paid | (545) | (361) |
| Net cash inflow from operating activities | 3,768 | 4,672 |
| Cash flows from investing activities | | |
| Acquisitions of investments | (1,851) | (16,732) |
| Disposals of investments | 12,156 | 16,117 |
| Net cash inflow/(outflow) from investing activities | 10,305 | (615) |
| Cash flows from financing activities | | |
| Bank loan drawn down | 8,000 | 1,900 |
| Equity dividends paid | (8,111) | (5,410) |
| Ordinary shares bought back into treasury and stamp duty thereon | (9,047) | (865) |
| Net cash outflow from financing activities | (9,158) | (4,375) |
| Increase/(decrease) in cash and cash equivalents | 4,915 | (318) |
| Exchange movements | (20) | 54 |
| Cash and cash equivalents at start of period | 1,917 | 5,512 |
| Cash and cash equivalents at end of period† | 6,812 | 5,248 |

* Cash from operations includes dividends received of £5,305,000 (2023 – £5,994,000) and £48,000 deposit interest (2023 – £65,000).

† Cash and cash equivalents represent cash at bank.

The accompanying notes on pages 15 to 17 are an integral part of the Financial Statements.

Notes to the Financial Statements (unaudited)

01 Basis of accounting

The condensed Financial Statements for the six months to 31 October 2024 comprise the statements set out on the previous pages together with the related notes below. They have been prepared in accordance with FRS 104 'Interim Financial Reporting' and the AIC's Statement of Recommended Practice issued in November 2014 and updated in July 2022 with consequential amendments and have not been audited or reviewed by the Auditor pursuant to the Auditing Practices Board Guidance 'Review of Interim Financial Information'. The Financial Statements for the six months to 31 October 2024 have been prepared on the basis of the same accounting policies as set out in the Company's Annual Report and Financial Statements at 30 April 2024.

Going concern

Having considered the nature of the Company's principal risks and uncertainties, as set out on the inside front cover, together with its current position, investment objective and policy, its assets and liabilities and projected income and expenditure, together with the Company's dividend policy, it is the Directors' opinion that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board has, in particular, considered heightened geopolitical tensions, conflicts and macroeconomic concerns. It has reviewed the results of specific leverage and liquidity stress testing, but does not believe the Company's going concern status is affected. The Company's assets, the majority of which are investments in quoted securities which are readily realisable, exceed its liabilities significantly and could be sold to repay borrowings if required. All borrowing facilities require the prior approval of the Board. Gearing levels and compliance with borrowing covenants are reviewed by the Board on a regular basis. In accordance with the Company's Articles of Association, shareholders have a right to vote on the continuation of the Company every five years. This resolution was last passed at the 2024 Annual General Meeting.

The Board made a commitment during 2024 to put forward a resolution at the Annual General Meeting to be held in 2027 for the continuation of the Company. This is in addition to the five-yearly continuation votes and, as such, a continuation vote is expected to be held in 2029 as well. The Directors have considered the continuation vote to be held at the 2027 Annual General Meeting, along with the other factors set out above, and are satisfied that it is appropriate to adopt the going concern basis of accounting in preparing these Financial Statements and confirm that they are not aware of any material uncertainties which may affect the Company's ability to continue to do so over a period of at least twelve months from the date of approval of these Financial Statements.

02 Financial information

The financial information contained within this Interim Financial Report does not constitute statutory accounts as defined in sections 434 to 436 of the Companies Act 2006. The financial information for the year ended 30 April 2024 has been extracted from the statutory accounts which have been filed with the Registrar of Companies. The Auditor's Report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under sections 498(2) or (3) of the Companies Act 2006.

03 Investment manager

Baillie Gifford & Co Limited, a wholly owned subsidiary of Baillie Gifford & Co, has been appointed by the Company as its Alternative Investment Fund Manager ('AIFM') and Company Secretary. The investment management function has been delegated to Baillie Gifford & Co. The management agreement can be terminated on six months' notice. The annual fee is 0.5% of net asset value, calculated and payable quarterly.

04 Net return per ordinary share

| | Six months to 31 October 2024 £'000 | Six months to 31 October 2023 £'000 |
|--|---|---|
| Revenue return after taxation | 3,544 | 4,182 |
| Capital return after taxation | 18,012 | (38,796) |
| Total net return | 21,556 | (34,614) |
| Weighted average number of ordinary shares in issue | 144,731,603 | 150,285,181 |

Net return per ordinary share is based on the above totals of revenue and capital and the weighted average number of ordinary shares in issue during each period.

There are no dilutive or potentially dilutive shares in issue.

05 Dividends

| | Six months to 31 October 2024 £'000 | Six months to 31 October 2023 £'000 |
|--|---|---|
| Amounts recognised as distributions in the period: | | |
| Previous year's final dividend of 5.60p (2023 – 3.60p), paid 13 September 2024 | 8,111 | 5,410 |

06 Fixed assets – investments

Fair value hierarchy

The fair value hierarchy used to analyse the basis on which the fair values of financial instruments held at fair value through the profit or loss account are measured is described below. Fair value measurements are categorised on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – using unadjusted quoted prices for identical instruments in an active market;

Level 2 – using inputs, other than quoted prices included within Level 1, that are directly or indirectly observable (based on market data); and

Level 3 – using inputs that are unobservable (for which market data is unavailable).

| As at 31 October 2024 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| Listed equities | 302,576 | – | – | 302,576 |
| Unlisted preference shares* | – | – | 3,338 | 3,338 |
| Total financial asset investments | 302,576 | – | 3,338 | 305,914 |

| As at 30 April 2024 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------------------|------------------|------------------|----------------|
| Listed equities | 293,252 | – | – | 293,252 |
| Unlisted preference shares* | – | – | 3,338 | 3,338 |
| Total financial asset investments | 293,252 | – | 3,338 | 296,590 |

* The unlisted preference shares investment represents a holding in Wayve Technologies Ltd.

06 Fixed assets – investments (continued)

Fair value hierarchy (continued)

The fair value of listed investments is quoted bid price. Listed investments are categorised as Level 1 if they are valued using unadjusted quoted prices for identical instruments in an active market and as Level 2 if they do not meet all these criteria but are, nonetheless, valued using market data.

Unlisted investments are valued at fair value by the Directors following a detailed review and appropriate challenge of the valuations proposed by the Managers. The Managers' unlisted investment policy applies methodologies consistent with the International Private Equity and Venture Capital Valuation Guidelines 2022 ('IPEV'). These methodologies can be categorised as follows: (a) market approach (multiples, industry valuation benchmarks and available market prices); (b) income approach (discounted cash flows); and (c) replacement cost approach (net assets). The Company's holding in an unlisted investment is categorised as Level 3 as unobservable data is a significant input to its fair value measurement.

07 Bank loans

At 31 October 2024 the Company had borrowings of £24,350,000 (30 April 2024 – £16,350,000).

This was drawn down under the one year £30 million unsecured revolving credit loan facility with The Royal Bank of Scotland International Limited which expires in July 2025.

08 Share capital

At 31 October 2024, the Company had the authority to buy back 19,277,878 ordinary shares and to allot or sell from treasury 14,604,350 ordinary shares without application of pre-emption rights in accordance with the authorities granted at the AGM in September 2024. During the six months to 31 October 2024, no shares were sold from treasury (year to 30 April 2024 – no shares were sold from treasury). During the six months to 31 October 2024, 4,957,992 ordinary shares with a nominal value of £1,239,000 were bought back at a total cost of £8,761,000 and held in treasury (year to 30 April 2024 – 3,841,977 ordinary shares with a nominal value of £960,000 were bought back at a total cost of £6,248,000 and held in treasury).

09 Related party transactions

There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or the performance of the Company during that period and there have been no changes in the related party transactions described in the last Annual Report and Financial Statements that could have had such an effect on the Company during that period.

None of the views expressed in this document should be construed as advice to buy or sell a particular investment.

Glossary of terms and Alternative Performance Measures ('APM')

An alternative performance measure is 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 financial reporting framework.

Total assets

This is the Company's definition of adjusted total assets, being the total value of all assets held less all liabilities (other than liabilities in the form of borrowings).

Net asset value

Also described as shareholders' funds. Net asset value (NAV) is the value of total assets less liabilities (including borrowings). The NAV per share is calculated by dividing this amount by the number of ordinary shares in issue (excluding treasury shares).

Net liquid assets

Net liquid assets comprise current assets less current liabilities, excluding borrowings.

Total return (APM)

The total return is the return to shareholders after reinvesting the net dividend on the date that the share price goes ex-dividend.

| | | 31 October 2024 NAV | 31 October 2024 Share price | 30 April 2024 NAV | 30 April 2024 Share price |
|--|--------------------|---------------------------|-----------------------------------|-------------------------|---------------------------------|
| Closing NAV per share/share price | (a) | 203.1p | 177.0p | 193.0p | 163.5p |
| Dividend adjustment factor* | (b) | 1.0276 | 1.0319 | 1.0197 | 1.0226 |
| Adjusted closing NAV per share/share price | (c = a x b) | 208.7p | 182.6p | 196.8p | 167.2p |
| Opening NAV per share/share price | (d) | 193.0p | 163.5p | 195.6p | 168.0p |
| Total return | (c ÷ d) - 1 | 8.1% | 11.7% | 0.6% | (0.5%) |

* The dividend adjustment factor is calculated on the assumption that the dividend of 5.60p (2023 - 3.60p) paid by the Company during the year were reinvested into shares of the Company at the cum income NAV per share/share price, as appropriate, at the ex-dividend date.

Discount/premium (APM)

As stockmarkets and share prices vary, an investment trust's share price is rarely the same as its net asset value. When the share price is lower than the net asset value per share it is said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage of the net asset value per share. If the share price is higher than the net asset value per share, this situation is called a premium.

| | 31 October 2024 | 30 April 2024 |
|-----------------------|--------------------|------------------|
| Closing NAV per share | 203.1p | 193.0p |
| Closing share price | 177.0p | 163.5p |
| Discount | (12.9%) | (15.3%) |

Ongoing charges (APM)

The total expenses (excluding borrowing costs) incurred by the Company as a percentage of the average Net Asset Value. The ongoing charges are calculated on the basis prescribed by the Association of Investment Companies.

Gearing (APM)

At its simplest, gearing is borrowing. Just like any other public company, an investment trust can borrow money to invest in additional investments for its portfolio. The effect of the borrowing on the shareholders' assets is called 'gearing'. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Invested gearing is the Company's borrowings adjusted for cash and cash equivalents expressed as a percentage of shareholders' funds.

| | 31 October 2024 | 30 April 2024 |
|---------------------------------|--------------------|------------------|
| Borrowings | £24,350,000 | £16,350,000 |
| Less: cash and cash equivalents | (£6,812,000) | (£1,917,000) |
| Adjusted borrowings | £17,538,000 | £14,433,000 |
| Shareholders' funds | £287,837,000 | £283,153,000 |
| Invested gearing | 6% | 5% |

Drawn gearing is the Company's borrowings expressed as a percentage of shareholders' funds.

| | 31 October 2024 | 30 April 2024 |
|----------------------|--------------------|------------------|
| Borrowings | £24,350,000 | £16,350,000 |
| Shareholders' funds | £287,837,000 | £283,153,000 |
| Drawn gearing | 8% | 6% |

Private (unlisted) company

A private (unlisted) company means a company whose shares are not available to the general public for trading and not listed on a stock exchange.

Active share (APM)

Active share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its comparative index. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the comparative index. An active share of 100 indicates no overlap with the index and an active share of zero indicates a portfolio that tracks the index.

Leverage (APM)

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 and the use of derivatives. 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.

Treasury shares

The Company has the authority to make market purchases of its ordinary shares for retention as treasury shares for future reissue, resale, transfer, or for cancellation. Treasury shares do not receive distributions and the Company is not entitled to exercise the voting rights attaching to them.

Further shareholder information

Automatic Exchange of Information

In order to fulfil its obligations under UK tax legislation relating to the automatic exchange of information, the Company is required to collect and report certain information about certain shareholders.

The legislation requires investment trust companies to provide personal information to HMRC on certain investors who purchase shares in investment trusts. As an affected company, Baillie Gifford UK Growth Trust plc will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

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

For further information, please see HMRC's Quick Guide: Automatic Exchange of Information – information for account holders [gov.uk/government/publications/exchange-of-information-account-holders](https://www.gov.uk/government/publications/exchange-of-information-account-holders).

Risk warnings

Past performance is not a guide to future performance.

Baillie Gifford UK Growth Trust plc is a listed UK company. The value of its shares and any income from them can fall as well as rise and investors may not get back the amount invested.

Shareholders in Baillie Gifford UK Growth Trust have the right to vote every five years on whether to continue the Company or wind it up. If shareholders decide to wind the Company up, the assets will be sold and you will receive a cash sum in relation to your shareholding. The next vote will be held at the Annual General Meeting in 2027.

The Company is listed on the London Stock Exchange and is not authorised or regulated by the Financial Conduct Authority.

The staff of Baillie Gifford & Co and Baillie Gifford UK Growth Trust Directors may hold shares in Baillie Gifford UK Growth Trust and may buy or sell such shares from time to time.

Further details of the risks associated with investing in the Company, including a Key Information Document and how charges are applied, can be found at [bgukgrowthtrust.com](https://www.bgukgrowthtrust.com), or by calling Baillie Gifford on 0800 917 2112.

The information and opinions expressed within this Interim Financial Report are subject to change without notice. This information has been issued and approved by Baillie Gifford & Co Limited, the Managers and Secretaries, and does not in any way constitute investment advice.

How to invest

The Company's shares are traded on the London Stock Exchange. They can be bought through a stockbroker or by asking a professional adviser to do so. If you are interested in investing directly in Baillie Gifford UK Growth Trust plc you can do so online. There are a number of companies offering real time online dealing services – find out more by visiting the investment trust pages at [bailliegifford.com](https://www.bailliegifford.com).

Client relations team contact details

You can contact the Baillie Gifford Client Relations Team by telephone (your call may be recorded for training or monitoring purposes), email or post. See contact details in the 'Further Information' box on page 22.

Share register enquiries

Computershare Investor Services PLC maintains the share register on behalf of the Company. In the event of queries regarding shares registered in your own name, please contact the Registrars on 0370 703 0025.

Third party data providers disclaimer

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FTSE index data

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Company information

Directors

Chairman: Neil Rogan
Ruary Neill
Cathy Pitt
Andrew Westenberger

Depository

**The Bank of New York Mellon
(International) Limited**
160 Queen Victoria Street
London
EC4V 4LA

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
T: +44 (0)370 703 0025

Alternative Investment Fund Manager, Secretaries and Registered Office

Baillie Gifford & Co Limited

3 St Helen's Place
London
EC3A 6AB

T: +44 (0)131 275 2000

bailliegifford.com

Company broker

Winterflood Securities Ltd

Riverbank House
2 Swan Lane
London
EC4R 3GA

Independent auditor

Ernst & Young LLP

Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Company details

bgukgrowthtrust.com

Company Registration No. 02894077

ISIN: GB0007913485

Sedol: 0791348

Ticker: BGUK

Legal Entity Identifier
549300XX386SYWX8XW22

Further information

Baillie Gifford Client Relations Team

Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

T: +44 (0)800 917 2112

trustenquiries@bailliegifford.com

bgukgrowthtrust.com

