ODYSSEAN INVESTMENT TRUST PLC
(the "Company", the "Trust" or "OIT")

LEI: 213800RWVAQJKXYHSZ74

Annual Report and Financial Statements for the year ended 31 March 2020

The full Annual Report and Financial Statements and the Notice of the AGM can be accessed via the Company's website at www.oitplc.com or by contacting the Company Secretary on 01392 477500.

Financial Highlights	**As at 31 March 2020**	**As at 31 March 2019**	**Change %**
Shareholders' funds	£80.1m	£85.0m	(5.8)
NAV per share	90.8p	96.3p	(5.7)
Share price per share	90.0p	99.3p	(9.4)
Discount/ premium to NAV	(0.9)%	3.1%	
Annualised ongoing charges	1.7%	1.6%	

Performance Highlights

- Resilient performance over the period through volatile markets with the NAV decreasing by 5.7% compared with the NSCI ex IC plus AIM Total Return Index[1] which fell by 23.2%
- Since inception, the Trust has delivered a NAV Total Return of -7.7%, compared with the fall of the NSCI ex IC plus AIM Total Return Index of -30.1%
- Takeover of portfolio holdings Consort Medical and Huntsworth during the period at premiums of 39% and 50% respectively
- In line with the commitment made in the IPO Prospectus, 50% of profits from recent takeovers of portfolio holding Huntsworth (£1.1m) will be made available to buy back shares at the Board's discretion, as the average discount exceeded 5% for 60 days prior to exit
- The Portfolio Manager believes that the Company's portfolio companies have sufficient liquidity to manage through the crisis, assuming COVID-19 lockdown is eased in a progressive way through the summer
- Strong Balance Sheet to capitalise on pricing anomalies and fundraisings, which the Portfolio Manager anticipates over the next few months

Jane Tufnell, Chairman of OIT, said:

"I am pleased to present the Annual Report and Financial Statements for the Company covering the period from 1 April 2019 to 31 March 2020.

The net assets of the Company decreased by £5m to £80m and represented a decline in net asset value per share ("NAV") of 5.7%. Whilst the decline is disappointing, it represents an extremely resilient performance during a very challenging period for UK equities. Over the same period, the comparator NSCI ex IC plus AIM Total Return Index fell by 23.2% and the FTSE All-Share declined by 18.5%.

At the end of the period, the Company was 90% invested in 19 quoted smaller companies, one of which is quoted outside the UK. The takeover of Huntsworth completed in May 2020, converted this 6% position into cash. The Company ended the period with considerable resources to deploy into new investments."

[1] The NSCI ex IC plus AIM Total Return Index is used as a comparator but not a benchmark.

For further information, please contact:

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About Odyssean Investment Trust PLC

Odyssean Investment Trust PLC is a self-managed closed-ended investment trust that seeks to deliver attractive returns to its clients by investing in great businesses and supporting them to become even better. To achieve this, the Board has appointed Odyssean Capital LLP to manage the portfolio.

Odyssean Capital LLP invests in a concentrated portfolio of well researched smaller companies, typically too small for inclusion in the FTSE 250. Constructive corporate engagement is a key part of Odyssean's approach, drawing on the investment team's lengthy and successful track record in this area.

FINANCIAL SUMMARY

Results for the year	31 March 2020	31 March 2019*	Change
Shareholders' funds	£80.1m	£85.0m	(5.8)%
NAV per share	90.8p	96.3p	(5.7)%
Share price per share	90.0p	99.3p	(9.4)%
Share price (discount)/premium to NAV#	(0.9)%	3.1%	

	Year ended 31 March 2020	Period ended 31 March 2019*
Revenue earnings per ordinary share	0.6p	(0.6)p
Capital earnings per ordinary share	(6.2)p	(1.4)p
Total earnings per ordinary share	(5.6)p	(2.0)p

High/low		Year ended 31 March 2020	Period ended 31 March 2019*
NAV	- high	116.5p	99.8p
	- low	81.6p	93.4p
Share price	- high	117.0p	107.5p
	- low	76.0p	95.3p
Share price premium to NAV	- high	3.1%	9.7%
	- low	(15.3)%	(1.3)%

Performance	Year ended 31 March 2020	Period ended 31 March 2019*
NAV Total Return per share#	(5.7)%	(2.1)%
NSCI ex IC plus AIM Total Return Index#†	(23.2)%	(9.0)%

Cost of running the Company	Year ended 31 March 2020	Period ended 31 March 2019*
Annualised ongoing charges#	1.7%	1.6%

* The period from incorporation of the Company on 21 December 2017 to 31 March 2019. The Company commenced trading and listed on the LSE on 1 May 2018.
# Alternative Performance Measures (see Glossary below).
† Comparator Benchmark (see Glossary below).

Past performance is not a guide to future performance.

INVESTMENT OBJECTIVE AND POLICY

The full text of the Company's investment objective and policy is set out in the full Annual Report and Financial Statements.

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

Introduction
I am pleased to present the Annual Report and Financial Statements for the Company covering the period from 1 April 2019 to 31 March 2020.

Performance
The net assets of the Company decreased by £5m to £80m and represented a decline in net asset value per share ("NAV") of 5.7%. Whilst the decline is disappointing, it represents an extremely resilient performance during a very challenging period for UK equities. Over the same period, the comparator NSCI ex IC plus AIM Total Return Index (the "Comparator Index") fell by 23.2% and the FTSE All-Share declined by 18.5%.

Given the concentrated nature of the portfolio, performance has been driven largely by individual stocks. Portfolio companies Consort Medical and Huntsworth were bid for during the period, accelerating returns. The Portfolio Manager's conservative approach to investment (namely, running with a net cash balance) helped to defend the NAV during the challenging markets at the end of the period. Our NAV outperformed the Comparator Index in each month from January to March 2020.

At the end of the period, the Company was 90% invested in 19 quoted smaller companies, one of which is quoted outside the UK. The takeover of Huntsworth completed in May 2020, converted this 6% position into cash. The Company ended the period with considerable resources to deploy into new investments.

The team continues to identify potential new investment opportunities as well as engaging with the ongoing due diligence and monitoring of existing holdings. It has been pleasing to see some of the results of the team's engagement becoming visible.

Since IPO, OIT's NAV has decreased by 7.7%, this compares to the fall in the Comparator Index of more than 30% over the same period. This differentiated performance outcome gives the Board great confidence in the Portfolio Manager's investment strategy, approach and execution.

Discount and premium management
The share price has remained resilient since IPO and at the period end was trading at less than a 1% discount to NAV. The average discount across the sector at the end of the period was c.14.5%. The Board believes that the Company's rating is driven by a number of factors, including but not limited to:

- efforts undertaken at the Company's launch to build the right shareholder base who share the Company's view that patient investors will be rewarded in the longer term;

- the differentiated investment performance;

- the shareholder friendly measures in place to allow all shareholders to opt for a cash exit at a price based around NAV every seventh year following the Company's launch, allied with the commitment to repurchase shares following a corporate action, as set out below.

The Board and Portfolio Manager have been aware of the discount volatility experienced over the recent quarter. The takeover of Huntsworth gave rise to profits of c.£2.1m compared with where the shares were trading the day immediately before the bid announcement. The 2018 prospectus included a provision to make available 50% of any profits made following a corporate action to buy back shares in OIT, should the average discount exceed 5% over a 60-day period prior to exit. The discount narrowly exceeded 5% over this period and as a result, £1.05m will be used at the Board's discretion to buy back shares at a wider discount than 5%. Subsequent to the year end, we have used this discretion as set out in the Extracts from the Directors' Report below.

The Portfolio Management fee is charged on the lower of NAV or market capitalisation. As a result, if the Company's shares trade at a discount to NAV, the management fee and ongoing costs to shareholders fall. This mechanism helps reduce fee drag in challenging markets where the Company's shares are likely to trade at a discount, as well as ensuring the Portfolio Manager's interests are aligned with shareholders.

Dividend

The Directors expect that returns for shareholders will be primarily driven by capital growth of the shares rather than dividend income. The Board is not proposing to pay a final dividend.

Service Providers

The Board has reviewed its service providers and following the recent review at the Management Engagement Committee meeting of 21 May 2020, it has agreed to appoint Frostrow Capital LLP as its company secretary, administrator and marketing facilitator. The Company will release an announcement upon their formal appointment which is expected to take effect from mid-July 2020. The Board would like to thank Link for their work and support at the time of the IPO and to date.

Growth of the Company

The Board is aware that liquidity is important for investors and in order to remain relevant, the Company will need to grow. The Board believes that OIT's investment strategy and strong performance will have broad appeal among investors which will enable it to grow over time, however, the current market environment presents near-term challenges in achieving this objective. OIT's strong relative rating should enable us to pursue issuance in due course and the Board continues to consider growth options.

Annual General Meeting

The Company's AGM is scheduled for 22 September 2020 at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD at 10.30 am. The Board looks forward to meeting shareholders. In due course, a notice of AGM will be circulated in accordance with the requirements of the Company's Articles of Association.

Due to the current COVID-19 outbreak, many companies have either postponed their AGMs or made alternative arrangements for conducting these meetings. We hope that by 22 September 2020 the Company will be able to hold its AGM in the usual manner. However, given the uncertain nature of this situation, should the Company need to alter its AGM arrangements, it will communicate these changes to shareholders through a regulatory announcement. This information will also be made available on the Company's website www.oitplc.com. Shareholders are advised to check the website to ensure they have the most up-to-date information available regarding the AGM.

Outlook

The coming weeks and months will determine what sort of recovery domestic and international economies, and individual companies, will experience following the lockdown actions taken by numerous governments. In spite of the considerable fiscal and monetary support, it is highly unlikely that corporate earnings will suddenly bounce back to historic peak levels experienced in 2019.

It is possible that the considerable change people are experiencing, both in terms of their work and also their consumption habits, will lead to changes in living and buying behaviours. Agile management teams managing high quality companies will benefit from these changes. Less robust business models and businesses are likely to suffer permanent damage.

One of the attractions of investing in smaller quoted companies is that the larger number of companies affords more choice than investing in a basket of the FTSE100. Allied to that, the Company's differentiated investment approach with a concentrated portfolio enables the Portfolio Manager to be extremely selective when considering where to deploy the Company's capital.

The closed-ended nature of the Company is a key enabler of the differentiated investment strategy. Inflows/outflows are more measured and controlled by the Board, in consultation with the Portfolio Manager, than a daily dealing open-ended investment fund, enabling the Portfolio Manager to take a long-term view and also maintain cash balances should it wish to do so. In addition, the portfolio is not subject to the UCITS concentration rules that open-ended investment companies must follow. Both of these factors enable the Portfolio Manager to invest in less liquid smaller companies for the long term and engage effectively with the portfolio companies as an aligned long-term stakeholder.

The Portfolio Management team has many years' relevant experience, which will help navigate the Company's existing portfolio through these difficult times. This experience, allied with their longstanding knowledge of many of the other quoted smaller companies eligible for investment, and their stakeholders, means that they have a clear plan and strategy of how to hone the portfolio as well as selectively deploy capital over the coming weeks and months.

The Portfolio Manager's conservative approach to gearing since launch and price discipline has led to the Company having considerable cash and near cash resources to deploy into the current dislocated market. Notwithstanding the short-term uncertainties and volatility, long-term returns from this point are likely to reward holders well.

As the COVID-19 crisis emerged in the UK, the Portfolio Manager enacted its Business Continuity Plan and the team has been working from home since 11 March 2020. The Portfolio Manager's remote systems are working as planned and day-to-day portfolio management is unaffected. With face-to-face meetings not possible, the Portfolio Manager has been using conference and video calls to engage with the management teams of portfolio companies.

There has continued to be regular dialogue between the Board and the Portfolio Manager regarding the portfolio and matters impacting the Company.

We are very grateful for the support shown by the shareholders over the past year and their continuing support through these unprecedented times.

Jane Tufnell
Chairman

8 June 2020

PORTFOLIO MANAGER'S REPORT

The investment approach

- Our investment approach applies the core elements of the private equity investment philosophy – highly focused, long-term, engaged 'ownership' style investment - to public markets. We believe that this approach creates a portfolio unlike that of many typical public equity funds and that, well executed, can offer attractive, differentiated, risk-adjusted returns.

- *Highly concentrated portfolio:* We look to build a highly concentrated portfolio of no more than 25 investee companies where we carry out intensive diligence, only investing behind our highest conviction ideas.

- *Narrow focus:* We are focused on smaller companies typically too small for inclusion in the FTSE 250 index. We believe this market is less efficient, offering more opportunities to find mis-pricings. Further, we believe the best investment decisions are made from a base of knowledge and experience, and we will make the majority of investments in industry sectors that we and our advisors, know well (TMT, Services, Industrials and Healthcare).

- *Targeting long-term holding periods:* We will evaluate each investment opportunity over a three to five-year investment horizon. We have structured our business to reflect this belief and do not intend to run any capital which is redeemable over short time periods. To think like an 'owner' of a business we believe your capital should behave like one too.

- *Engaged investment style:* We are engaged investors. We like investing in companies which, whilst good, are underperforming their potential and where we see the opportunity for constructive corporate engagement to unlock improved sustainable returns for all stakeholders.

The Company's investment objective is to deliver long-term capital growth rather than outperform a specific index. Our differentiated investment approach is likely to lead to periods of NAV per share performance materially different to those of the broader market. We fully anticipate this potential short-term performance variance and will focus on comparative investment performance on a rolling three-year basis.

The absolute return mentality of the strategy, allied with the desire to avoid being a forced seller, may lead to net cash balances being held. We anticipate a core range of 5-15% over the long term. Net cash balances will not be used as an attempt to market time, but to enable us to invest where blocks of stock are available rather than being required to sell a less liquid holding on short notice.

Implementing the investment strategy

There are three key factors we look for when we analyse a potential investment:

1) a valuation opportunity;

2) in a higher-quality company; and

3) with improvement potential.

Our view is that buying at a fair price and supporting improved performance generates capital growth, while our quality filters mitigate losses in the event of unexpected headwinds.

Valuation

We look for two valuation factors in every investment. Firstly, what we refer to as "static value" - does the company trade at a discount to its current value? This is not only judged by traditional public market ratios. We also seek to model every company through the lens of a private equity buyer as well as evaluating its attractiveness to strategic trade buyers.

Secondly, we are looking for companies which can grow their value over time – "dynamic value". We particularly look for situations where there are multiple, independent drivers of value creation present, and where management actions can unlock these. We believe seeking multiple value drivers makes an investment case more secure and less exposed to single areas of uncertainty or misjudgement.

Quality

We assess every potential investment against qualitative and quantitative criteria. The quality assessment is important to mitigate the risk of permanent capital destruction from investments which fail to achieve their value potential. In our experience, higher quality companies are likely to maintain a minimum value through difficult times and are able to attract high calibre management teams to rectify underperformance.

Improvement potential and engagement

We particularly like companies that are in some way underperforming relative to their potential, and where the current valuation does not price in improvement. Once invested, constructive corporate engagement can help to unlock value. Our mantra is to buy good businesses and sell excellent businesses. The spectrum of areas which can be improved is broad and includes operating performance, asset utilisation, overly complex business structures/organisation, strategic direction, poor M&A, investor relations and finally, governance and pay.

Integration of ESG into our investment process

We have historically focused on evaluating and engaging on corporate governance (“G”) and financial performance as part of our investment process.

However, we have considered Environmental (“E”) and Social (“S”) performance and sustainability of investee companies informally for some time. After consulting with shareholders, we have decided to integrate E&S formally into our investment process and engagement approach.

In common with our approach to governance, we will not use negative screening. However, our investment approach tends to avoid companies which screen badly for E&S factors – e.g. resources; sub prime lending, and we aim to avoid business models which are unsustainable or performing extremely badly on E&S issues.

We intend to take a pragmatic approach to E&S given the more resource constrained nature of smaller quoted companies, largely focusing on how boards approach sustainability, where the scope for improvement is, how progress is evaluated and how it is reported to investors.

Progress and performance in the past year

The past year has seen UK equity markets show the extremes of sentiment. Greed after the decisive UK election result. Fear through March 2020 as investors began to process the likely impact that COVID-19, and global governments’ reactions to containing it, would have on company earnings. For investors, the year has been the equivalent to experiencing four seasons in one day.

As an example of this changing sentiment, the NSCI ex IC plus AIM Total Return Index rallied 12.6% during Q4 2019, before falling almost 33% in Q1 2020. To put these sharp moves into perspective, from 1955 to the end of March 2020, the annualised returns from the larger NSCI Index have been c.14% per annum (source: Numis Securities).

Over the year to March 2020, the NAV of the Company decreased by 5.7%, compared with the NSCI ex IC plus AIM Total Return Index (which we use as a comparator but not a benchmark) which fell by a much more significant 23.2% across the period. The portfolio was on average 88% invested across the period.

During the many years of managing this strategy in differing market conditions, we have typically found that most relative outperformance is generated in periods of down or sideways markets, whereas the NAV tends to lag, or just about keep up, during periods when the markets are exuberant. This has been our experience over the past year and indeed since the Company was launched.

We believe that there are a number of factors behind this differentiated performance profile, including but not limited to (a) the maintenance of a net cash position in the portfolio, (b) the investment process and stock selection criteria, and (c) the focus on seeking absolute returns rather than relative returns. The latter approach led us to increase our cash position during the first half of Q1 2020, not because we saw the oncoming turmoil driven by COVID-19, but because a number of portfolio companies had generated strong returns through Q4 2019. This performance was largely driven by re-ratings, and future value growth was unlikely to meet our absolute return requirements other than by further material re-ratings, which appeared too optimistic. As a result, the portfolio had considerable liquidity and cash resources as the market turmoil accelerated.

At the end of the period, the Company was 90% invested into a portfolio of 19 companies. Over the last year, six new positions were added and two smaller positions exited. Three of the new positions were added during Q1 2020, through the market turmoil.

Two full disposals were made during the period, including the takeover of Consort Medical, which completed in February 2020. Both investments delivered total returns in excess of 40%, with holding periods of less than a year.

In March 2020, Huntsworth announced a recommended bid from a highly regarded US private equity house, at a 50% premium to the closing share price. Whilst a welcome uplift in current markets, we felt that the bid was opportunistic and at a reasonable discount to intrinsic value. Nevertheless, we were somewhat satisfied with a c.38% IRR which was a good result given current market conditions.

We believe that the two takeovers validate our investment approach. Whilst we do not select investments anticipating them being acquired, over the years many investee companies have been taken over by trade and financial buyers. We see this as either an accelerated return, or alternatively a safety parachute when either a company has a short term set back or is struggling to attract an appropriate rating as a public company.

Towards the end of the period, the likely disruption from COVID-19 became apparent. In February, we evaluated the portfolio for likely direct and indirect impacts of the lock down in China. As March progressed, we widened this analysis, focusing on portfolio companies' balance sheets, debt facilities and available liquidity. In the vast majority of cases, whilst short-term earnings may be impacted, we concluded that the balance sheets in the main were strong enough to tide over a sudden sharp deterioration in sales. Where balance sheets were less strong, but the business models robust and the competitive positions strong, we have indicated a desire to back any equity raises if needed.

From the beginning of the current financial year, we have also decided to formally integrate Environmental and Social engagement with portfolio companies into our investment process. Whilst we have informally considered "E&S" alongside our typical focus on Governance and Financial Performance, we believe that now is the appropriate time to broaden our engagement. This has been supported by a number of the Company's largest shareholders.

Portfolio development

The portfolio was largely stable through the period with few major changes. £28m was invested into stock purchases. Six new positions were started for a total investment of £13m, we see scope to grow these over time as we continue our diligence. The remaining £15m was invested into existing positions, both growing weightings in those names where diligence supported an increased position, and actively topping up names on share price weakness where the investment thesis remained robust.

Up until the end of 2019, our focus had been on investing in less cyclical companies with strong balance sheets. Two of the three new investments made during March 2020 were in more cyclical companies, where the share prices were extrapolating a pessimistic short and long-term view of trading. The other investment was a more highly geared non-cyclical company which had de-rated materially on, we believed, overblown concerns around the level of gearing. We do not think it needs to raise equity to strengthen its balance sheet and believe it has very strong underlying cashflows, operates in a growth market and has robust earnings. It was purchased at a forward P/E of less than 7x earnings, compared with a long-term trading range of 9-23x.

Whilst a small position, the takeover of our holding in Consort Medical was welcomed. We were part way through our due diligence to build the position and one of our hesitations, despite valuation, was, whether the two disparate divisions would attract a trade bidder. We could find multiple buyers for each business and considered whether the company should be broken up to release value. We also evaluated the significant de-rating that had occurred in the months prior to our investment. The company had experienced disrupted manufacturing and had limited short-term earnings growth potential. This was allied with limited free cashflow due to substantial investments. It was notable that the company did not attract a competing bid, despite the takeover being made at a share price below the recent peak.

As indicated in the interim results, we have also spent more time seeking to drive value from portfolio companies. It is pleasing to note some early progress in this area, particularly around investor relations and stakeholder management. We believe that many of the portfolio companies have multiple opportunities for improvement.

Portfolio

At the end of the period under review, the portfolio comprised 19 companies, the largest positions being NCC, SDL, Equiniti and Chemring. Backgrounds to our investment thesis for each company have been detailed in our prior reports and key updates through the period are detailed below:

NCC Group

% NAV: 13%
Sector: TMT

Leading independent provider of software escrow services and cyber security consulting provided through the Assurance division.

Performance in period

NCC performed well during the period with trading updates broadly supporting delivery of the key points of our investment thesis. The Assurance division delivered strong organic growth (notably in the US market) with consultant numbers growing strongly and consultant attrition reducing across the period.

The Escrow business performance was more disappointing. Revenues showed moderate decline, predominantly driven by internal challenges at NCC, which have since been addressed. With investment in the sales team and the launch of the new ‘escrow as a service’ product, the company is confident that this division will return to growth.

The self-help programme being driven by management continues to progress, reflected by ongoing improvements in margins which rose 200bps in the Assurance division in FY19. Significant investment has been made in back office functions and systems. We see these as key enablers to the group in further accelerating growth and improving margins.

Outlook

The COVID-19 crisis will impact NCC’s divisions differently. The highly recurring Escrow business is expected to continue with limited impact. The Assurance division is more exposed to delays in projects as end clients look to reduce spend. This impact should be short lived and management are actively managing through this difficult time. The current situation of increased remote working may also stimulate new business opportunities. For example, it was recently reported that NCC had been hired to help video conferencing company Zoom improve its cyber security.

We believe that NCC has a robust balance sheet and will trade through this period. The markets in which it operates enjoy long-term secular growth drivers, there remains a large self-help opportunity to be delivered and the unique assets in the group have significant value. The long-term prospects for the company appear attractive.

SDL

% NAV: 12%
Sector: TMT

Global leader in provision of content translation services and also develops and sells a range of software products that support the content translation workflow for linguists and enterprises.

Performance in period

SDL continued its robust performance through the period, driving further confidence in our investment thesis. The group delivered strong trading updates with organic revenue growth of 5%, 90bps increase in margins and strong cash generation in FY19.

More importantly, the group demonstrated continued delivery against its self-help programme. Use of the group's internally developed Helix workflow platform increased to 84% of addressable volume, supporting further efficiency gains in the core Language Services division, driving improved margins and increased customer satisfaction. Significant R&D investment into the group's software offering (and machine translation capabilities) are beginning to bear fruit with key products being delivered in the year and successfully sold to clients. Finally, the integration of the acquired US-based business, 'Donnelly Language Services' is largely complete and supported a significant mix shift in group revenues to higher margin, premium industry verticals.

Outlook
SDL is well placed to weather headwinds from COVID-19, with net cash on balance sheet and recent back office investments supporting efficient remote working. Although demand from end customers may slow, SDL is positioned to benefit in what remains a fragmented market where smaller, less well capitalised competitors may struggle.

SDL's combination of a leading position in a growth market, clear margin improvement potential and strong cash generation have the potential to generate good returns from here over the long term.

Equiniti
% NAV: 11%
Sector: Business Services

Leading provider of a range of services that support complex and regulatory processes. These include shareholder registration, remediation services and pension administration.

Performance in period
Equiniti's performance has been mixed over the period. On the positive side, the group demonstrated improved cash conversion with fewer exceptional costs, good progress on delivery of $10m synergies from its US acquisition and signs of improvement in the long challenged pensions business.

Offsetting this were headwinds from lower UK corporate activity driven by Brexit concerns and cuts in interest rates by both the Bank of England and the Federal Reserve. Resultant organic growth of 1.4% in FY19 was below ambitions of 3%-7%, with revenue mix holding back the expected progression in margins.

Outlook
Equiniti is exposed to a number of short-term impacts from COVID-19. Falling interest rates, dividends being cancelled and reduced corporate activity will all impact revenues. There is prospect of recovering some of this lost revenue if there are widespread rights issues amongst FTSE350 companies through the rest of the year. The company is looking to manage costs and cash in light of this challenge. The business carries reasonable leverage but has liquidity headroom and a robust, recurring base of core revenue to trade through the near-term disruption.

Longer term, we continue to view the attractions of the business model as undervalued by the market. Equiniti is a market leader, with high recurring revenue, strong cash generation and the opportunity to accelerate organic growth, through turnaround of the pensions business and leveraging its recently acquired US footprint. The loss of interest income caused by the cut in rates may lead to Equiniti and its peers revisiting their pricing models for certain services. Other activities that are suffering from the current market conditions are likely to recover as 2020 progresses.

Chemring Group
% NAV: 8%
Sector: Industrials

Chemring produces counter-measures for aircraft, sophisticated sensor products, and energetic devices including rocket components and provides contracted R&D for governments – primarily serving the defence sector.

Performance in period

Chemring showed good progress across the period – with the new CEO bedding in well. The business completed the disposal of its lower quality commoditised energetics businesses, leaving the continuing group focused on higher value-add products. The company saw a successful re-start of the explosion-impacted facility in Salisbury, strengthening end demand in the countermeasures market and continuing progress in its Sensors division against a pipeline of key projects.

Full year results were ahead of market expectations with revenue up 13%, improving margins, strong cash generation and a growing order book providing solid support for FY20. Post the period end, the company has confirmed it will pay its final dividend.

Outlook
Chemring's defence market exposure leaves it well placed to trade through any near term COVID pressure. The bulk of revenue comes from already approved defence budgets. With the exception of possible delays in customers physically signing off on orders, there is limited expected impact on demand, and to date, Chemring has seen little disruption of its facilities or supply chains.

Longer term, we see the disposal of the commodity energetics businesses as leaving a higher quality group, well placed to benefit from recent investments in ramping up capacity to serve counter-measures to the growing global F-35 fleet. We also see further upside from the pipeline of large contracts with US Department of Defense where key decision points are expected in the next 12-24 months.

We have six mid-sized investments in Huntsworth, Volution, Flowtech, Devro, Benchmark, and Clinigen. Clinigen is a new position, built during the past six months. Our investment thesis is detailed below. The investment cases for the other names have been described in prior reports.

Huntsworth
% NAV: 6%
Sector: Healthcare

Huntsworth is primarily focused on the provision of healthcare communications services. The group provides marketing and technical medical communications services to healthcare clients across all steps of drug development to commercial sale.

Performance in period
The key news through the period was the announcement of a bid for the company by private equity house CD&R in March.

The offer price of 108p, although a 50% premium to the then share price, was slightly below our view of fair value. Despite this, the bid offered an attractive return (c.38% IRR) in a relatively short period, which when combined with the ongoing uncertainty in markets we viewed as attractive.

Volution
% NAV: 5%
Sector: Industrials

Volution is a leading designer, assembler and marketer of ventilation fans and systems for use in domestic households and commercial environments. The group has operations across Europe and Australasia.

Performance in period
Volution showed a year of good progress. Operationally, the highlight of the year was the completed relocation of two UK facilities into a single new site in Reading. Following a period of execution challenges, this success allowed the group to focus on delivering benefits from the increased capacity this investment offers.

Pleasingly, full year trading showed solid organic growth of 3.5% in the year ended July 2019, boosted further by acquisitions in the Nordics and Australasia. Margins, which dipped slightly at full year, showed a solid 70bps uplift in the first half of FY20 as the benefits from restructuring at the Reading facility and the streamlining of back office functions came through.

Key governance developments were a new CFO being bought on board in August 2019 and a new Chairman in January 2020. We look forward to their continuing the steady stewardship of what is a well-run business.

Outlook
Volution's reliance on construction and refurbishment spend has left it exposed in the near term to the sudden drop in activity due to COVID-19. The group has limited gearing and sufficient liquidity to cover a protracted period of minimal revenue, positioning it well to trade through the current issues. More positively, we see significant opportunity for Volution to win share through the crisis at the expense of smaller, more challenged competitors. It has become a more geographically balanced business since the 2008-9 downturn, which provides more resilience to earnings.

Over the longer term, we are excited by the prospects for Volution. Regulatory drivers for improved energy efficiency in homes are driving increased need for ventilation, which Volution is well placed to serve. After a period of operational investment, the company should now see improving margins, supporting strong ongoing cash generation. With a track record of successful bolt-on M&A in a market which remains highly fragmented there are multiple routes to value growth open to the business.

Flowtech Fluidpower
% NAV: 5%
Sector: Business Services

Leading UK distributor of hydraulic and pneumatic components.

Performance in period
Throughout calendar year 2019, Flowtech faced a deteriorating end market as Brexit concerns drove softness in its key industrial end sectors. This slowdown accelerated into the end of the year driving downgrades to market expectations. In addition, it is one of the portfolio companies most impacted by the COVID-19 related lockdown.

Against this disappointing backdrop, we are pleased to note a number of actions taken by the company in response to these challenges. Firstly, the business has announced a focus on delivering efficiencies through better integration of legacy acquisitions. We believe there is opportunity for cost savings through rationalising multiple separate warehousing and picking sites into fewer, more efficient centres, alongside further savings from bringing together multiple back office processes. In the context of the group, we believe the total potential quantum of savings is material.

Secondly, there have been recent governance changes at the company with the appointment of a new Chairman. We view these changes as positive and supportive of delivering the operational transformation ongoing at the group over the next few years.

Outlook
Demand in Flowtech's end markets has been and will be impacted by the current COVID-19 lockdown, driving a likely material short-term impact on revenues. The group will benefit from government support schemes and has suspended dividends which will support short-term liquidity. The group also intends to accelerate the cost savings identified as part of managing through current issues. On a positive side, many of Flowtech's competitors are much smaller and are likely to struggle to conduct business in the current environment. It would not be a surprise if Flowtech gains considerable market share through this period.

Fundamentally, we believe Flowtech occupies a unique position in its market with significant potential to create value. The shift to a proactive focus on delivering cost savings, has the potential to drive a material uplift in earnings as well as create a stronger operating platform from which the group can continue to build on its market leadership position through M&A. We remain excited by the medium to long-term prospects for the business.

Devro
% NAV: 5%
Sector: Consumer

Devro is a global market leader in the production of artificial collagen-based casings for sausages and other snack products.

Performance in period
Devro had a solid year of performance broadly in line with expectations. The business reported flat volumes and a small revenue decline in 2019, with profit largely maintained by the successful delivery of cost savings identified as part of management's efficiency plan. Pleasingly, strong cash generation saw net debt reduce through the period.

The management continues to impress by focusing on reducing costs and streamlining what was historically a highly autonomous group of local operations. This was further demonstrated by the announcement during the year of the planned rationalisation of one UK site with a potential £5m p.a. cost saving as a result – further supporting a key leg of our investment case.

Delivery of sustained organic volume growth remains the key challenge for Devro, significant investment in the commercial function in 2019, alongside roll out of the new 'Fine Ultra' product range, were key actions to start delivery against this goal.

Outlook
Being largely a supplier into food manufacture, Devro is reasonably insulated from the demand shocks other companies have seen from COVID-19. The business should benefit from demand shifting from foodservice to retail. In addition, to date it has seen little supply side disruption, although there are raw material risks relating to the supply of collagen, a by-product of the production of leather, for which the two largest uses are the cyclical automotive and footwear markets. We believe the group should trade through the current turmoil, and with capex likely to trail depreciation for several years, cash generation should be resilient.

Beyond the current short-term situation, our view on the potential for Devro remains unchanged. The group is a clear leader in stable end markets, with a strong management team, delivering cost reductions and strong cash generation. Successful execution on cost savings alongside a return to volume growth would underpin a change in perception of the equity story and support an uplift in its rating.

Benchmark Holdings
% NAV: 4%
Sector: Healthcare

Benchmark has leading positions in key parts of the growing global aquaculture market. The group is a leading provider of genetics services to the salmon market, production of early stage nutrition products primarily for the shrimp market and a developer of health products for the salmon market.

Performance in period
Benchmark has had a mixed year. The ongoing headwind from the deepest recession in the shrimp market for 30 years impacted performance in the Nutrition business. Concurrently, the early successful completion of customer funded trials of the group's new sea lice treatment impacted revenue in the Health business. Combined, these drove material downgrades through the period and increasing leverage. A well supported £43m equity raise in February 2020, reduced leverage and offered improved liquidity.

On the positive side, the difficulties detailed above have driven a welcome acceleration of the various corporate actions we have long seen as crucial to the Benchmark investment case. Wholesale management changes have been made with a new CEO and a new CFO appointed in the past six months, a bottom-up review of group operations identified a number of 'non-core' activities, which are in the process of being sold or shut down, and a detailed review of the R&D pipeline is expected to reduce spend and focus down onto the most commercially attractive near-term opportunities. We view all of these changes as positive steps in releasing value in what remains a highly strategic asset.

Outlook

Benchmark has flagged that both its Healthcare and Genetics operations are well placed to trade through the current COVID-driven uncertainty, but that the Nutrition division may continue to be impacted by weakness in the shrimp market. The recent equity raise, alongside a highly flexible financing structure (via a Norwegian bond), offers considerable flexibility on liquidity.

Near-term COVID impacts aside, and despite the challenging year, the recent actions taken at Benchmark augur well for the future. The group now appears to be on the right path towards focusing on its core areas of market leadership, with new management driving increased discipline on both capital and operating cost investment. With the key new sea lice treatment expected to receive commercial approval in the next 12 months, we see a potential step change in the value of this key player in the growing global aquaculture market.

Clinigen Group
% NAV: 4%
Sector: Healthcare

Clinigen provides a range of services to the pharmaceutical market, focused on ensuring that hard to access medicines reach the right patients at the right time. The group supports distribution of unlicensed medicines into smaller or hard to access markets, supports commercialisation of licensed products globally and supports clinical trials.

Clinigen is a market leader in a range of niche pharmaceutical services and products. The group has built a market leading position in (i) Unlicensed Medicines – providing medical professionals access to drugs currently undergoing trial or which are unlicensed in a particular jurisdiction; (ii) Clinical Services – Clinigen is a leader in sourcing comparator drugs for use in clinical trials and other related service areas; and (iii) Commercial Medicines – Clinigen has a portfolio of owned and licenced medicines where it can accelerate sales through accessing pockets of demand and jurisdictions typically too small for larger pharma companies to target.

The markets in which Clinigen operates are large and typically growing at mid to high single digits, driven by secular tail winds from the increasing volume and diversity of new medicine launches, and the trend for increased outsourcing across the industry. Clinigen has built leading global platforms in its chosen markets and has strong, long-term, blue-chip clients in markets where reach and reputation are crucial and represent significant barriers to entry. The end markets which Clinigen addresses are well insulated from COVID-19 and the group has seen little impact on operations to date.

Our investment case sees multiple levers for value growth. We believe the group is well placed to grow organically at above market rates as it gains share from competitors and benefits from recently completed M&A. Further, we believe after the recent period of building the group through acquisition, there exists significant opportunity to improve margins through better integrating the group – a journey which is just being started by the current management team. Finally, although geared today, the group should generate strong free cash flow going forward post completion of certain earnout obligations. We believe that part of the recent de-rating has been driven by the level of gearing on the balance sheet. Given how cash generative the group is, we see leverage reducing substantially over the next 18 months. Provided achieved earnings are near current market forecasts, this de-gearing should catalyse a material re-rating of the equity.

We believe that Clinigen is a higher quality, cash generative business with a complex story, somewhat misunderstood by the investors. This is demonstrated by a rating which has been more volatile than the earnings profile would suggest. This presented an opportunity for us to make our investment at a value below where we see potential strategic (or private equity) interest.

The remaining nine investments represent between c.1% and 3% of NAV each. These are spread across our core focus sectors and all offer scope to scale, subject to further due diligence and pricing remaining attractive.

Outlook
The new financial year has begun in an equity bear market, driven by one of the sharpest equity market corrections on record. The current circumstances are very unusual, with a near simultaneous global

recession triggered by simultaneous supply and demand shocks. There are few precedents to draw upon.

Share prices are always a leading indicator of economic and corporate earnings, and they are giving a very strong signal of the broad impact that companies and the global economy will experience in 2020. Concerns about Brexit pale into insignificance.

Despite the unprecedented fiscal and monetary stimulation by many governments, few companies are likely to escape unscathed. Companies with weak business models, weak competitive positions and weak balance sheets are unlikely to survive. We see many more similarities to the early 1990s recession than the Great Financial Crisis of 2008-9.

We have no strong view about whether the markets have already hit the bottom. It is also becoming clearer week-by-week that a snap back in earnings in 2021 to levels previously achieved in 2019 is increasingly unlikely.

Earnings forecasts are mostly irrelevant, with many companies withdrawing guidance. One Chairman told us it was “just impossible” to give any sensible guidance. As a result, valuing companies has become more challenging. We have always considered EV/Sales as being a less volatile valuation metric than earnings or profit multiples. In addition, particularly in asset rich companies, price to book multiples tend to offer good indicators of compelling long-term value opportunities.

Due to these factors, there appears to be good long-term upside within the existing portfolio. We continue to engage with the portfolio companies, especially where we had already highlighted scope for improvement potential prior to COVID-19 impacting trading. Whilst the near-term focus will be on crisis/cash management, at some point it will be appropriate to engage on how they capitalise on the opportunities that the crisis will present. In one example, a portfolio company which is a market leader, is the only one of its close peers still open for business. We would not be surprised if a number of its smaller, less well capitalised peers either do not re-open, or alternatively run out of cash when the market recovers. These types of situations offer scope for organic market share gains and/or bargain acquisition targets.

We intend to continue investing using our established criteria, namely seeking out new investments in market leaders with strong business models, with improvement potential, international earnings and high barriers to entry. We will continue to avoid resource companies and are reluctant to invest in companies which have direct exposure to discretionary consumer expenditure. Equally, we are not focused on deep value “option” stocks. Given our good knowledge of our investment universe, we already have a strong view of the new investments we are likely to make during the rest of this year. The focus now is on completing our due diligence and determining the optimal price and timing for investment.

Over the next 6-12 months, we expect portfolio turnover to be higher than typical, as we will probably make more new investments than usual. We may also realise some of our existing holdings which, despite serving us well through the difficult recent months, offer a less compelling risk/reward balance than alternative investments that we can find in the market.

The net cash balance, 10% at the period end (or 16% including the holding in Huntsworth, which became cash in April 2020) is likely to fall progressively through 2020. We will not attempt to market time but will invest gradually over the period as and when suitable situations and liquidity arise.

We anticipate that there will be many companies seeking to raise new equity to repair their balance sheets, or position themselves to capitalise on the opportunities that the turmoil has caused. Currently there appears to be widespread investor support for these fundraisings, but this could wane if open-ended funds are subject to outflow requests, and managers use their cash balances up. We believe that there will be multiple attractive investment opportunities to recapitalise quoted UK small companies in the second half of 2020. We have identified a number of these companies and believe, subject to an appropriate entry price, that they have the potential to generate compelling medium to long-term investments for the Company's shareholders.

We are fortunate to manage our investments via a closed-ended fund structure. This allows us high visibility on the existing assets under our control, to think and act for the long term and be less concerned by limited day-to-day liquidity of the shares of portfolio companies. Allied with our own combined investment experience of more than three decades, we are also fortunate to be able to draw on the insights and advice of the non-executives of the Company and of our own Fund Management company, as well as our three-strong panel of advisors. Whilst these factors do not guarantee success, they provide us with additional tools in our toolkit to navigate these uncharted waters.

Stuart Widdowson & Ed Wielechowski
Odyssean Capital LLP

8 June 2020

PORTFOLIO OF INVESTMENTS
As at 31 March 2020

Company	Sector	Country of Listing	Valuation £'000	% of Net Assets
Top 10 Investments				
NCC Group	TMT	United Kingdom	10,181	12.7
SDL	TMT	United Kingdom	9,339	11.7
Equiniti	Business Services	United Kingdom	8,797	11.0
Chemring Group	Industrials	United Kingdom	6,575	8.2
Huntsworth	TMT	United Kingdom	4,633	5.8
Volution	Industrials	United Kingdom	4,194	5.2
Flowtech Fluidpower	Business Services	United Kingdom	3,921	4.9
Devro	Consumer	United Kingdom	3,725	4.7
Benchmark Holdings	Healthcare	United Kingdom	3,381	4.2
Clinigen Group	Healthcare	United Kingdom	3,138	3.9
Other equity investments*			14,382	17.9
Total equity investments			72,266	90.2
Cash and other net current assets			7,829	9.8
Net assets			80,095	100.0

* Sum of equity investments in companies where the investment in each company is less than 3% of its net assets.
The Company has not disclosed the names of any investment where the holding is below 3% of its net assets on the grounds that the Company is continuing to build positions in these portfolio companies, disclosure of which is deemed to be commercially sensitive information.

DISTRIBUTION OF INVESTMENTS
as at 31 March 2020 (% of net assets)

Portfolio holdings

Other equity investments	17.9%
NCC Group	12.7%
SDL	11.7%
Equiniti	11.0%
Chemring Group	8.2%
Huntsworth	5.8%
Volution	5.2%
Flowtech Fluidpower	4.9%
Devro	4.7%
Benchmark Holdings	4.2%
Clinigen Group	3.9%
Cash and other net current assets	9.8%

% holding by sector

TMT	35.1%
Business Services	21.1%
Industrials	16.7%
Healthcare	10.6%
Consumer	4.7%
Other equity investments	2.0%
Cash and other net current assets	9.8%

Geographical revenue exposure
(% of invested capital)

UK	42.1%
US	24.7%
Europe Other	18.0%
RoW	15.2%

Market capitalisation
(% of invested capital)

Below £150m	10.9%
£150m-£750m	86.3%
Over £750m	2.8%

At as 31 March 2020, the net assets of the Company were £80m.

STRATEGIC OVERVIEW

Business Model

Status of the Company
The Company was incorporated on 21 December 2017 and the IPO took place on 1 May 2018. It is registered in England and Wales as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006. The principal activity of the Company is to carry on business as an investment trust. The Company has been approved by HM Revenue & Customs as an authorised investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010, subject to there being no subsequent serious breaches of regulations. In the opinion of the Directors, the Company is directing its affairs so as to enable it to continue to qualify for such approval.

The Company's shares have a listing on the premium segment of the Official List of the FCA and trade on the LSE's main market for listed securities.

The Company is a member of the AIC, a trade body which promotes investment companies and also develops best practice for its members.

Purpose
The purpose of the Company is to achieve predominantly capital growth in our shareholders' wealth over time. It aims to achieve this by using its closed-ended structure to invest in a concentrated number of less liquid, higher-quality smaller quoted companies, which the Portfolio Manager believes are undervalued and could be generating higher returns for their shareholders. The long-term nature of the Company's capital enables the Portfolio Manager to undertake constructive corporate engagement with the underlying portfolio companies and their stakeholders, on financial and operating performance, strategy and sustainability, specifically ESG practices.

Sustainable improvement in a smaller quoted company's financial and operational performance, and ESG practices, not only benefit the shareholders of the Company, but also the shareholders and stakeholders in the underlying portfolio companies.

Investment objective
The investment objective of the Company is to achieve attractive total returns per share principally through capital growth over a long-term period.

Investment policy
The Company's full investment policy is set out in the full Annual Report and Financial Statements and contains information on the policies which the Company follows, including in relation to borrowings, derivatives and hedging. The Company invests primarily in smaller company equities quoted on markets operated by the LSE, where the Portfolio Manager believes the securities are trading below intrinsic value and where this value can be increased through strategic, operational, management and/or financial initiatives.

Any material change to the Company's investment policy would require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA. Non-material changes to the investment policy may be approved by the Board.

Portfolio analysis
A detailed review of how the Company's assets have been invested is contained in the Chairman's Statement and the Portfolio Manager's Report above. A list of all the Company's investments is contained in the Portfolio of Investments above.

Section 172 statement

Overview
The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the

decisions they make as well as aim to maintaining a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty naturally supports the Company in achieving its investment objective and helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties they are provided with the pertinent information when they first join the Board as well as receive regular and ongoing updates and training on the relevant matters. Induction and access to training is provided for new Directors. They also have continued access to the advice and services of the Company Secretary, and when deemed necessary, the Directors can seek independent professional advice. The schedule of Matters Reserved for the Board, as well as the Terms of Reference of its committees are reviewed on an annual basis and further describe Directors' responsibilities and obligations and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

Stakeholders

A company's stakeholders are normally considered to comprise of its shareholders, its employees, its customers, its suppliers as well as the wider community in which the company operates and impacts. The Company is different in that as an investment trust it has no employees and, significantly, its customers are synonymous with its shareholders. In terms of suppliers, the Company receives professional services from a number of different providers, principal among them being the Portfolio Manager. The Board believes that the wider community in which the Company operates encompasses its portfolio of investee companies and the communities in which they operate.

During the period under review, the Board discussed which parties should be considered as stakeholders of the Company. Following a comprehensive review, it was concluded that, as the Company is an externally managed investment company and does not have any employees or customers, its key stakeholders comprise its shareholders, its portfolio companies and its service providers, primarily the Portfolio Manager. Details of how the Board considers the needs and priorities of the Company's stakeholders and how these are taken into account during all its discussions and as part of its decision-making are detailed below. All discussions involve careful considerations of the longer-term consequences of any decisions and their implications for stakeholders.

Stakeholder	**Board Engagement**
Shareholders Continued shareholder support and engagement are critical to existence of the business and the delivery of the longterm strategy of the Company.	The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. These include: – **Annual General Meeting** – The Company welcomes and encourages attendance, voting and participation from shareholders at the AGM, during which the Directors and the Portfolio Manager are available to discuss issues affecting the Company and answer any questions. The Portfolio Manager provides a presentation at the AGM on the Company's performance and its future outlook. The Company values any feedback and questions it may receive from shareholders ahead of and during the AGM; – **Publications** – The Annual and Interim Reports of the Company are made available on its website and the Annual Report is circulated to shareholders. These reports provide shareholders with a clear understanding of the Company's portfolio and financial position. This information is supplemented by a quarterly factsheet and a quarterly presentation which are available on the website. Feedback and/or

	questions the Company receives from the shareholders help the Company evolve its reporting, aiming to render the reports and updates transparent and understandable; – **Shareholder meetings** – The Portfolio Manager and the Company's Broker are in regular contact with major shareholders. The Chairman and the other Directors are available to meet with shareholders to understand their views on governance and the Company's performance where they wish to do so. Shareholders are able to meet with the Portfolio Manager throughout the year. The results from all meetings between the Portfolio Manager, the Broker and the shareholders, and the views of the shareholders are reported to the Board on a regular basis; – **Shareholder concerns** – In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office address; and – **Investor relations updates** – At every Board meeting, the Directors receive updates from the Company's Broker on the share trading activity, share price performance and any shareholders' feedback, as well as an update from the Portfolio Manager on any publications. To gain a deeper understanding of the views of its shareholders and potential investors, the Portfolio Manager also meets regularly with shareholders. Any pertinent feedback is taken into account when Directors discuss the share capital and any possible fundraisings. The Chairman also wrote to the major shareholders of the Company following the publication of OIT's first annual financial results in May 2019. The willingness of the shareholders, including the partners and staff of the Portfolio Manager, to maintain their holdings over the long-term period is another way for the Board to gauge how the Company is meeting its objectives and suggests a presence of a healthy corporate culture.
The Portfolio Manager The Portfolio Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to provide shareholders with attractive total return over a long-term period.	The management of the Company's portfolio is delegated to the Portfolio Manager, which manages the assets in accordance with the Company's objectives and policies. At each Board meeting, representatives from the Portfolio Manager are in attendance to present reports to the Directors covering the Company's current and future activities, portfolio of assets and its investment performance over the preceding period. Maintaining a close and constructive working relationship with the Portfolio Manager is crucial as the Board and Odyssean both aim to continue to achieve consistent, long-term returns in line with its investment objective. Important components in the collaboration with the Portfolio Manager, representative of the Company's culture, are: - Operating in a fully supportive, co-operative and open environment and maintaining ongoing communication with the Board between formal meetings; - Encouraging open discussion with the Portfolio Manager, allowing time and space for original and innovative thinking; - Recognising that the interests of shareholders and the Portfolio Manager are for the most part well aligned, adopting a tone of constructive challenge, balanced with robust negotiation of the Portfolio Manager's terms of engagement if those interests should not be fully united;

	- Drawing on Board members' individual experience and knowledge to support the Portfolio Manager in its monitoring of and engagement with portfolio companies; and - Willingness to make the Board members' experience available to support the Portfolio Manager in the sound long-term development of its business and resources, recognising that the long-term health of the Portfolio Manager is in the interests of shareholders in the Company.
Portfolio companies The Company invests into available opportunities, allocating capital across different portfolio companies to meet the Company's investment objectives within the pre-defined portfolio limits and with a focus on portfolio level diversification.	The relationship with the Portfolio Manager is fundamental to ensuring the Company meets its purpose. Day-to-day engagement with portfolio companies is undertaken by the Portfolio Manager. Details of how Odyssean carries out portfolio management, as well as information on its differentiated investment approach and the structuring of investments can be found in the Portfolio Manager's report above. The Board receives updates at each scheduled Board meeting from the Portfolio Manager on specific investments including regular valuation reports and detailed portfolio and returns analyses. Odyssean's engagement with portfolio companies incorporates recurring due diligence reviews, active voting at their annual general meetings, discussions with their stakeholders (including but not limited to executives, non-executives, other shareholders and corporate advisors) and on-site visits.
Other service providers In order to function as an investment trust with a premium listing on the LSE, the Company relies on a diverse range of reputable advisors for support in meeting all relevant obligations.	The Company's main functions are delegated to a number of service providers, each engaged under separate contracts. The Board maintains regular contact with its key external providers and receives regular reporting from them, both through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice and views are routinely taken into account. The Audit Committee reviews and evaluates the financial reporting control environments in place at each service provider. Through its Management Engagement Committee, the Board formally assesses their performance, fees and continuing appointment annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. Post year end, the Board has approved the change of its service providers for the provision of administration and company secretarial services from Link to Frostrow Capital LLP. This change is expected to take effect from mid-July 2020. Frostrow Capital LLP's marketing and distribution capabilities will enhance the Portfolio Manager's existing marketing initiatives.

The above mechanisms for engaging with stakeholders are kept under review by the Directors and will be discussed on a regular basis at Board meetings to ensure that they remain effective.

Culture

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

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

The Board is cognisant of the nature of companies that the Company invests in and notes that their performance could fluctuate while the Portfolio Manager actively engages with them. This requires a culture of patience from the Board, supported by an orderly, disciplined investment management process by the Portfolio Manager. The Board pays particular attention to Odyssean's corporate engagement initiatives and proxy voting policies. Additional information on the Board's approach to ESG matters is detailed below.

The Board seeks to appoint the best possible service providers and evaluates their remit, performance and cost effectiveness on a regular basis. The Board considers the culture of the Portfolio Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and, in particular, during the annual review of the performance and continuing appointment of all service providers through its Management Engagement Committee.

Key performance indicators

At each Board meeting, the Directors consider several performance measures to assess the Company's success in achieving its objective. The key performance indicators used to measure the progress and performance of the Company over time are established industry measures. These are as follows:

Net asset value

The NAV at 31 March 2020 was 90.8p per ordinary share, compared to 96.3p per ordinary share at the end of the previous period, a decrease of 5.7%. The NAV total return* since the launch of the Company on 1 May 2018 to 31 March 2020 was (7.7)%. The total return from the NSCI ex IC plus AIM Total Return Index* was (23.2)% for the same period.

A full description of the Company's performance for the year ended 31 March 2020 can be found in the Portfolio Manager's Report above.

Share price

The Company's share price at the previous period end was 99.3p and decreased to 90.0p as at 31 March 2020, resulting in a return of (9.4)% during the year.

Share price premium/(discount) to NAV*

The share price discount to NAV changed from 3.1% at the previous period end to (0.9)% as at 31 March 2020. During the year ended 31 March 2020, the shares traded at an average discount to NAV of 2.4%.

Revenue return per ordinary share

In the year to 31 March 2020, the revenue return per ordinary share increased from (0.6)p to 0.6p.

Ongoing charges*

The Company's ongoing charges ratio for the year ended 31 March 2020 was 1.7% (period ended 31 March 2019: 1.6%).

* Alternative Performance Measures (see Glossary below).

Main trends and future development

A review of the main features of the year ended 31 March 2020, the outlook for the current year and the factors likely to affect the future development, performance and position of the business, can be found in the Chairman's Statement and the Portfolio Manager's Report above. The Board's main focus is on the investment return and strategy, with attention paid to the integrity and success of the investment approach and on the factors which may have an impact on this.

Management arrangements

The Company is an internally managed investment company for the purposes of the Alternative Investment Fund Managers Directive and is its own alternative investment fund manager. The Board is therefore responsible for the portfolio management and risk management functions of the Company.

Pursuant to the terms of the Portfolio Management Agreement, the Board has delegated responsibility for discretionary portfolio management functions to Odyssean Capital LLP as the Company's Portfolio Manager, subject always to the overall supervision and control of the Board.

The Portfolio Manager is entitled to receive an annual management fee equal to the lower of: (i) 1% of the NAV (calculated before deduction of any accrued but unpaid management fee and any performance fee) per annum; or (ii) 1% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

In addition, the Portfolio Manager is entitled to a performance fee in certain circumstances. Further details can be found in note 3 to the financial statements.

The Portfolio Manager is also entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

The initial term of the Portfolio Management Agreement is three years commencing on the date of the Company's launch (the "Initial Term"). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months' prior written notice, such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months' prior written notice, such notice not to be served prior to the end of the Initial Term.

Continuing appointment of the Portfolio Manager
The Board keeps the ongoing performance of the Portfolio Manager under continual review and the Management Engagement Committee conducts an annual appraisal of the Portfolio Manager's performance and makes a recommendation to the Board about the continuing appointment of the Portfolio Manager.

The Management Engagement Committee has reviewed Odyssean's performance, with respect to their provision of portfolio management and other services. Due consideration was given to the quality and continuity of its personnel, succession planning and investment processes. Alongside the performance review, the Committee completed an appraisal of the terms of the Portfolio Management Agreement to ensure that the terms remained competitive and in the interest of the Company. The Portfolio Manager has executed the investment strategy according to the Board's expectations and it is the opinion of the Directors that the continuing appointment of the Portfolio Manager on the terms agreed is in the interests of shareholders as a whole.

Employees, human rights, social and community issues
The Board recognises the requirement under the Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements do not apply to the Company as it has no employees, all the Directors are non-executive and it has outsourced all its functions to third party service providers. The Company has therefore not reported further in respect of these provisions, however, it does expect its service providers and portfolio companies to respect these requirements.

Board diversity
As at 31 March 2020, the Board of Directors of the Company comprised two male and two female Directors. The Board firmly believes in the benefits of cognitive diversity and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives. Further details of the Company's diversity policy are set out in the full Annual Report and Financial Statements.

Environmental, social and governance Issues
The Company has no employees, property or activities other than investments, so its direct environmental impact is minimal. In carrying out its activities and in its relationships with service providers, the Company aims to conduct itself responsibly, ethically and fairly.

The Board is comprised entirely of non-executive Directors and the day-to-day management of the Company's business is delegated to the Portfolio Manager. The Portfolio Manager aims to be a responsible investor and believes it is important to invest in companies that act responsibly in respect of environmental, ethical and social issues.

The Portfolio Manager is specifically looking to invest in companies which have average or above average ESG characteristics or practices, but where improvement potential exists. Being mindful of the smaller company nature of many of the portfolio companies, the Portfolio Manager has a pragmatic engagement approach, focused on dialogue with portfolio companies around their performance, disclosure and general practices compared with best-in-class peers, and seeking positive changes in specific areas.

The Directors believe that proxy voting is an important part of the corporate governance process. It is the policy of the Company to vote at all shareholder meetings of investee companies, and the Board has delegated voting activities to the Portfolio Manager. The Portfolio Manager follows relevant regulatory requirements with an aim to make voting decisions which will best support growth in shareholder value and will commonly take into account best practices regarding corporate governance, board composition, remuneration and ESG issues. The Portfolio Manager also provides the Directors with a six-monthly update regarding the voting decisions made in respect of the investee companies.

Modern slavery

While the Company is not within the scope of the Modern Slavery Act 2015 and it is not, therefore, obliged to make a slavery and human traffcking statement, the Company considers its supply chains to be of low risk as its principal service providers are the professional advisers set out in the Corporate Information section in the full Annual Report and Financial Statements.

Risk Management

Role of the Board

The Directors have overall responsibility for risk management and internal control within the Company. They recognise that risk is inherent in the Company's operation and that effective risk management is an important element in the success of the organisation. The Directors have delegated responsibility for the assurance of the risk management process and the review of mitigating controls to the Audit Committee. The Directors, when setting the risk management strategy, also determine the nature and extent of the significant risks and its risk appetite in implementing this strategy.

The principal risks and uncertainties which the Company faces are set out below.

Internal control review

The Board is responsible for the internal controls relating to the Company, including the reliability of the financial reporting process, and for reviewing their effectiveness.

An ongoing process, in accordance with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, has been established for identifying, evaluating and managing the principal risks faced by the Company. This process, which is regularly reviewed, together with key procedures established with a view to providing effective financial control, has been in place throughout the period ended 31 March 2020 and up to the date of this Report. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's investment objective. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the Company's risk management and internal control systems as they have operated over the period and up to the date of approval of this Report. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified.

Internal control assessment process
Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective. The Board, through the Audit Committee, has categorised risk management controls under the following key headings: corporate strategy; published information, compliance with laws and regulations; relationships with service providers; and investment and business activities. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

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

– the threat of such risks becoming reality;

– the Company's ability to reduce the incidence and impact of risk on its performance;

– the cost to the Company and benefits related to the review of risk and associated controls of the Company; and

– the extent to which the third parties operate the relevant controls.

A risk matrix has been produced so that the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk register is reviewed by the Audit Committee regularly.

Most of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third party suppliers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, which is reviewed by the Audit Committee.

Principal risks and uncertainties
The Company is exposed to a variety of risks and uncertainties that could cause its asset price or the income from the investment portfolio to reduce, possibly by a sizeable percentage in the most adverse circumstances. The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing the Company, together with a review of any new risks which may have arisen during the year, including those that would threaten its business model, future performance, solvency or liquidity. These risks are formalised within the Company's risk matrix. The Company's risk matrix is formally reviewed twice a year at each Audit Committee meeting. The Directors formally discuss emerging risks at the other Board meetings held during the year.

COVID-19 has had a material negative impact on the valuation of the Company's assets and on the performance of a number of its underlying holdings. The Portfolio Manager has taken steps to assess the anticipated effects on each holding, particularly in terms of liquidity and balance sheets.

The principal financial risks and the Company's policies for managing these risks and the policy and practice with regard to financial instruments are summarised in note 12 to the financial statements.

The Board has also identified the following additional risks and uncertainties:

Risk	**How the risk is managed**
Investment performance is not comparable to the expectations of investors	
Consistently poor performance could lead to a fall in the share price and a widening of the discount. The success of the Company depends on the Portfolio Manager's ability to identify, acquire and realise investments in accordance with the Company's investment policy. This, in	The Board reviews and discusses the Company's performance against its investment objective and policy, as well as reviewing performance in comparison to industry peers and the broader comparative market. The Board also keeps the performance of the Portfolio Manager

turn, depends on the ability of the Portfolio Manager to apply its investment processes and identify suitable investments.

under continual review, along with a review of significant stock decisions and the overall rationale for holding the current portfolio. In addition, the Management Engagement Committee conducts an annual appraisal of the Portfolio Manager.

Share price performance

The market price of the Company's shares, like shares in all investment companies, may fluctuate independently of the NAV and thus may not reflect the underlying NAV of the shares. The shares could trade at a discount or premium to NAV at different times, depending on factors such as market conditions, investors' perceptions of the merits of the Company's objective and investment policy, supply and demand for the shares and the extent investors value the activities of the Company and/or the Portfolio Manager.

The Board monitors the relationship between the share price and the NAV, including regular review of the level of discount relative to that of companies in the sector. The Company has taken powers to re-purchase shares and will consider doing so to reduce the volatility of any share price discount. The Company has also taken powers to issue shares (only at a premium to NAV) to provide liquidity to the market to meet investor demand, whether by way of the issue of further shares.

In addition, in the seventh year following the IPO (and every seventh year thereafter), the Board will provide shareholders with an opportunity to realise their shares at the applicable NAV.

Portfolio Manager – loss of personnel or reputation

The identification and selection of investment opportunities and the management of the day-to-day activities of the Company depends on the diligence, skill, judgement and business contacts of the Portfolio Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continuing ability of these individuals to provide services and the Portfolio Manager's ability to strategically recruit, retain and motivate new talented personnel as required. The departure of some or all of the Portfolio Manager's investment professionals could prevent the Company from achieving its investment objective and give rise to a significant public perception risk regarding the potential performance of the Company.

The Board maintains a good level of communication and has a good relationship with the Portfolio Manager, and regularly reviews the Portfolio Manager's performance at Board meetings. The Portfolio Manager's Compliance Officer also reports to the Board regularly and the Portfolio Manager would report to the Board immediately in the event of any change in key personnel.

Stuart Widdowson was on compassionate leave for part of 2019 and the Board is pleased that he resumed his role as Key Man of the Company on 31 December 2019. The measures put in place by the Portfolio Manager to cover Mr Widdowson's period of absence ensured that the portfolio continued to be managed in accordance with the principles and investment strategy set out at the time of the Company's launch.

Material changes within the Portfolio Manager's organisation

Material changes could occur within the Portfolio Manager's organisation or its affiliates which are to the detriment of the Company's standing in respect of its competitors and its profitability.

The Portfolio Manager has advance notice of any material changes within its organisation and would report to the Board immediately in the event of any such changes, including within its organisation and affiliates or to its key personnel.

Valuation of unquoted investments

The Company may invest in unquoted companies from time to time. Such investments, by their nature, involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed and quoted securities and they may be more difficult to realise.	All financial information is reviewed by the Board at regular meetings. The Board and/or Chairman of the Audit Committee will approve the valuation of unquoted investments prior to their reflection in the Company's NAV. No unquoted investments were held by the Company during the year.
Reliance on the performance of third-party service providers	
The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is reliant upon the performance of third-party service providers for its executive function. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a material adverse effect on the operation of the Company.	The Board has appointed third party service providers with relevant experience. Each third party service provider is monitored by the Board and their roles are evaluated at least annually by the Management Engagement Committee. The Board has considered the operational risks associated with COVID-19 relating to the functioning of all of the service providers to the Company. Each service provider has continued to operate with its employees working remotely and service has not been disrupted. The Board continues to monitor the performance of all service providers given the current requirements for employees to work remotely where they are able to do so.

Going concern
The Directors assessed the going concern of the Company in light of its current trading performance. They looked at the forecasts for the coming year and applied stress tests for adverse scenarios. As a result, it was determined that the Company has sufficient liquidity to cover all anticipated payments during that period. The Directors also considered the regulatory capital of the Company and determined that, based on the latest approved forecasts, the Company will have sufficient regulatory capital for the same period. The Directors have considered the impact of COVID-19 on the Company's financial position and have considered a detailed assessment of the Company's ability to meet its liabilities as they fall due. This included stress and liquidity tests which modelled the effects of further substantial market falls, and significantly reduced market liquidity, to that experienced to date in connection with the coronavirus pandemic. At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Viability statement
The Board has assessed the prospects of the Company over a three-year period. This assessment period has been chosen as the Board believes it represents an appropriate period given the long-term investment horizons of the Company.

In considering the viability of the Company, the Directors have conducted a robust assessment of each of its principal risks and uncertainties (as set out above), specifically Key Man risk, and the impact on the Company's portfolio of a significant fall in the UK markets. The Directors do not expect there to be any significant change in the current principal risks and adequacy of the mitigating factors in place over the period of this assessment and therefore, believe the going concern and viability period assessment remains appropriate.

The effect of Brexit on the Company and the portfolio has been considered. Whilst it is challenging to quantify any impact that should arise from a change in the UK's relationship with the EU, it is not believed that there will be a fundamental bearing on the business. Any change arising from Brexit will likely bring investment opportunities as well as headwinds and the Company's investment strategy will remain appropriate in such an environment.

The Board has also considered the Company's financial position and its ability to liquidate its portfolio to meet expenses or other liabilities as they fall due. In considering this, the Board notes that:

- the Company primarily invests in companies listed and traded on stock exchanges. These are actively traded and, whilst perhaps less liquid than larger quoted companies, the portfolio is well diversified;

- the Company's portfolio currently includes a large position in cash. Cash balances can be varied due to changes in market conditions, but positive cash levels are expected to be maintained over the period; and

- the expenses of the Company are predictable and modest in comparison to the assets in the portfolio. There are no commitments that would change that position.

Based on this assessment, the Directors are confident that the Company's investment approach, portfolio management and balance sheet approach will ensure that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

Approval
This Strategic Report has been approved by the Board of Directors and signed on its behalf by:

Jane Tufnell
Chairman

8 June 2020

EXTRACTS FROM THE DIRECTORS' REPORT

Directors

The Directors in office during the period and at the date of this report are:

Jane Tufnell (Chairman)
Arabella Cecil (Senior Independent Director)
Peter Hewitt (Chairman of the Management Engagement Committee)
Richard King (Chairman of the Audit Committee)

Share capital

Share issues

On 20 June 2018, the Company was granted a block listing of 5.0 million ordinary shares to be listed to the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the LSE's main market. During the year ended 31 March 2020, no shares were issued under the block listing (period ended 31 March 2019: 800,000 shares were issued). As at the date of this report, a balance of 4.2 million shares remain under this block listing.

No other share issues were made during the year or since the year end. Proposals for the renewal of the Directors' authority to issue shares will be set out in the Notice of AGM.

Purchase of own shares

At the AGM held on 27 June 2019, the Directors were granted the authority to buy back up to 13,229,755 ordinary shares, being 14.99% of the ordinary shares in issue at the time of the passing of the resolution. No shares were bought back under this authority during the year.

Subsequent to the year end of 31 March 2020 and up to 8 June 2020, the date of signing this report, the Company purchased in the stock market 275,000 shares (with a nominal value of £2,750.00) for treasury, at a total cost of £230,000, representing 0.3% of the issued share capital as at 31 March 2020. The share purchases were made with a view to reducing discount volatility and maintaining the middle market price at which the shares traded close to the NAV.

Current share capital

As at 31 March 2020, there were 88,257,211 ordinary shares in issue, none of which were held in treasury. At general meetings of the Company, shareholders were entitled to one vote on a show of hands and, on a poll, to one vote for every share held. The total voting rights of the Company as at 31 March 2020 were 88,257,211.

As at 8 June 2020, 275,000 shares were held in treasury. Accordingly, the total voting rights of the Company as at the date of this report were 87,982,211.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Accordingly, the Directors have prepared the Financial Statements in accordance with IFRS as adopted by the EU. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company 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 in accordance with IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors" and then apply them consistently;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;

- state whether applicable IFRS 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the FCA.

The Financial Statements are published on the Company's website, www.oitplc.com, which is maintained on behalf of the Company by the Portfolio Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website.

Under the Portfolio Management Agreement, the Portfolio Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

- the Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and

- the Annual 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.

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Jane Tufnell
Chairman

8 June 2020

NON-STATUTORY ACCOUNTS

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 March 2020 but is derived from those accounts. Statutory accounts for the year ended 31 March 2020 will be delivered to the Registrar of Companies in due course. The Auditor has reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. The text of the Auditor's report can be found in the Company's full Annual Report and Financial Statements on the Company's website at www.oitplc.com.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2020

		Year ended 31 March 2020			Period ended 31 March 2019		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	1,949	133	2,082	715	-	715
Net (losses) on investments at fair value	7	-	(5,588)	(5,588)	-	(1,266)	(1,266)
Currency exchange losses		-	-	-	-	(5)	(5)
Total income		1,949	(5,455)	(3,506)	715	(1,271)	(556)
Expenses							
Portfolio management fee	3	(904)	-	(904)	(784)	-	(784)
Other expenses	4	(495)	-	(495)	(455)	-	(455)
Total expenses		(1,399)	-	(1,399)	(1,239)	-	(1,239)
Return before taxation		550	(5,455)	(4,905)	(524)	(1,271)	(1,795)
Taxation	5	(7)	-	(7)	(5)	-	(5)
Return for the period		543	(5,455)	(4,912)	(529)	(1,271)	(1,800)
Basic and diluted earnings per ordinary share (pence)	6	0.6	(6.2)	(5.6)	(0.6)	(1.4)	(2.0)

The total column of this statement is the Income Statement of the Company prepared in accordance with IFRS, as adopted by the EU. The supplementary revenue and capital columns are presented in accordance with the Statement of Recommended Practice issued by the AIC ("AIC SORP").

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

There is no other comprehensive income, and therefore, the profit for the period after tax is also the total comprehensive income.

The accompanying notes below are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2020

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve* £'000	Capital reserve £'000	Revenue reserve* £'000	Total £'000
Year ended 31 March 2020							
Opening balance as at 1 April 2019		883	449	85,475	(1,271)	(529)	85,007
Total comprehensive income for the year		-	-	-	(5,455)	543	(4,912)
As at 31 March 2020		883	449	85,475	(6,726)	14	80,095

	Notes	Share capital £'000	Share premium account £'000	Special distributable reserve* £'000	Capital reserve £'000	Revenue reserve* £'000	Total £'000
Period ended 31 March 2019							
Opening balance as at 21 December 2017		-	-	-	-	-	-
Gross proceeds of share issue	10	883	87,403	-	-	-	88,286
Share issue costs	10	-	(1,459)	-	-	-	(1,459)
Transfer to special distributable reserve	10	-	(85,495)	85,495	-	-	-
Share premium cancellation costs	10	-	-	(20)	-	-	(20)
Total comprehensive income for the period		-	-	-	(1,271)	(529)	(1,800)
As at 31 March 2019		883	449	85,475	(1,271)	(529)	85,007

* The special distributable and revenue reserves can be distributed in the form of dividends.

The distributable reserves are £78,763,000 (2019: £83,675,000)

The accompanying notes below are an integral part of these financial statements.

BALANCE SHEET
as at 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Non current assets			
Investments at fair value through profit or loss	7	72,266	66,807
Current assets			
Trade and other receivables	8	187	298
Cash and cash equivalents		9,800	18,219
		9,987	18,517
Total assets		82,253	85,324
Current liabilities			
Trade and other payables	9	(2,158)	(317)
Total Liabilities		(2,158)	(317)
Total assets less current liabilities		80,095	85,007
Net assets		80,095	85,007
Represented by:			
Share capital	10	883	883
Share premium account		449	449
Special distributable reserve		85,475	85,475
Capital reserve		(6,726)	(1,271)
Revenue reserve		14	(529)
Total equity attributable to equity holders of the Company		80,095	85,007
Basic and diluted NAV per ordinary share (pence)	11	90.8	96.3

These statements were approved and authorised for issue by the Board on 8 June 2020 and signed on its behalf by:

Jane Tufnell
Chairman

Company Registered Number: 11121934

The accompanying notes below are an integral part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 £'000	Period ended 31 March 2019 £'000
Reconciliation of total return before taxation to net cash outflows from operating activities			
Profit before tax		(4,905)	(1,795)
Losses on investments held at fair value through profit and loss		5,588	1,270
Decrease/(increase) in receivables		105	(288)
(Decrease)/increase in creditors		32	319
Taxation paid		(10)	(5)
Net cash inflow from operating activities		810	(499)
Investing activities			
Purchases		(26,405)	(69,217)
Sales		17,167	1,138
Net cash outflow from investing activities		(9,238)	(68,079)
Financing activities			
Gross proceeds of shares issued		-	88,285
Share issue costs		10	(1,469)
Share premium cancellation costs		-	(20)
Net cash inflow from investing activities		10	86,796
(Decrease)/Increase in cash and cash equivalents		(8,418)	18,218
Reconciliation of net cash flow movements in funds			
Cash and cash equivalents at the beginning of the year		18,219	-
Exchange rate movements		(1)	1
Increase in cash and cash equivalents		(8,418)	18,218
Increase in net cash		(8,419)	18,219
Cash and cash equivalents at end of year		9,800	18,219

The accompanying notes below are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

1. Accounting Policies

Odyssean Investment Trust PLC is a listed public company incorporated and registered in England and Wales. The registered office of the Company is Beaufort House, 51 New North Road, Exeter EX4 4EP. The principal activity of the Company is that of an investment trust company within the meaning of sections 1158/1159 of the Corporation Tax Act 2010 and its investment approach is detailed in the Strategic Report.

a) Basis of preparation
The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), and as applied in accordance with the provisions of the Companies Act 2006. The annual financial statements have also been prepared in accordance with the AIC SORP for the financial statements of investment trust companies and venture capital trusts, except to any extent where it is not consistent with the requirements of IFRS.

The comparatives for the period to 31 March 2019 are for the 15-month period from incorporation on 21 December 2017 to 31 March 2019.

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

The functional currency of the Company is Sterling because this is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in Sterling rounded to the nearest thousand, except where otherwise indicated.

b) Going concern
The financial statements have been prepared on a going concern basis that approval as an investment trust company will continue to be met.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future, being a period of at least 12 months from the date these financial statements were approved. In making the assessment, the Directors have considered the likely impacts of the current COVID-19 pandemic on the Company, operations and the investment portfolio. The Directors noted the cash balance exceeds any short-term liabilities, the Company has no debt and the Company holds a portfolio of investments listed on the LSE. The Company is a closed end fund, where assets are not required to be liquidated to meet redemptions. Whilst the economic future is uncertain, and the Directors believe it is possible the Company could experience further reductions in income and/or market value that this should not be to a level which would threaten the Company's ability to continue as a going concern. The Directors, the Portfolio Manager and other service providers have put in place contingency plans to minimise disruption. Furthermore, the Directors are not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows, debt and investment commitments. Therefore, the financial statements have been prepared on a going concern basis.

c) Segmental reporting
The Directors are of the opinion that the Company is engaged in a single segment of the business, being investment business. The Company invests in small companies principally based in countries bordering the North Atlantic Ocean.

d) Accounting developments
In the current year, the Company has applied a number of amendments to IFRS, issued by the IASB. These include annual improvements to IFRS, changes in standards, legislative and regulatory

amendments, changes in disclosure and presentation requirements. The Company has also applied, with associated amendments, for the first time the following standards:

IFRS 16 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases by lessors and lessees.

The adoption of the changes to accounting standards has had no material impact on the current or prior years' financial statements.

e) Critical accounting judgements and key sources of estimation uncertainty

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

The areas requiring the most significant judgement and estimation in the preparation of the financial statements are: recognising and classifying unusual or special dividends received as either revenue or capital in nature; when determining any deferred performance fee, this may be affected by future changes in the Company's portfolio and other assets and liabilities; and setting the levels of dividends paid and proposed in satisfaction of both the Company’s long-term objective and its obligations to adhere to investment trust status rules under Section 1158 of the Corporation Tax Act 2010.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. There are no significant judgements or estimates in these financial statements.

f) Investments

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

The investments held by the Company are designated by the Company as ‘at fair value through profit or loss’. All gains and losses are allocated to the capital return within the Statement of Comprehensive Income as ‘Gains or losses on investments held at fair value through profit or loss’. Also included within this heading are transaction costs in relation to the purchase or sale of investments. When a sale or purchase is made under a contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All investments are designated upon initial recognition as held at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which is either the bid price or the closing price for Stock Exchange Electronic Trading Service (‘SETS’). The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been accumulated is recognised in profit or loss.

Fair values for unquoted investments, or investments for which the market is inactive, are established by using various valuation techniques in accordance with the International Private Equity and Venture Capital Valuation (the “IPEV”) guidelines. These may include recent arm’s length market transactions, earnings multiples and the net asset basis.

All investments for which a fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy levels set out in note 7 below.

g) Foreign currency translation
Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the date of the transaction. Items that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the capital reserve or the revenue account depending on whether the gain or loss in the capital reserve or the revenue account depending on whether the gain or loss is capital or revenue in nature.

h) 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 which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

i) Other receivables and payables
Trade receivables and trade payables are measured at amortised cost and balances revalued for exchange rate movement.

j) Income
Dividends receivable on quoted equity shares are taken to revenue on an ex-dividend basis. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Dividends from overseas companies are shown gross of any withholding taxes which are disclosed separately in the Statement of Comprehensive Income.

Special dividends are taken to the revenue or capital account depending on their nature. In deciding whether a dividend should be regarded as capital or revenue receipt, the Board reviews all relevant information as to the sources of the dividend on a case-by-case basis.

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

All other income is accounted on a time-apportioned accruals basis and is recognised in the Statement of Comprehensive Income.

k) Expenses
All expenses are accounted on an accruals basis and are allocated wholly to revenue with the exception of the Performance Fees and transaction costs which are allocated wholly to capital, as the fee payable by reference to the capital performance of the Company.

l) Taxation
The charge for taxation is based on the net revenue for the year and takes into account taxation deferred or accelerated because of temporary differences between the treatment of certain items for accounting and taxation purposes.

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

m) Dividends payable to shareholders

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

n) Share capital and reserves
The share capital represents the nominal value of equity shares.

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses.

The special distributable reserve was created on 7 August 2018. This reserve may be used for the costs of share buybacks and the cancellation of shares.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. In addition, performance fee costs are allocated to the capital reserve.

The revenue reserve represents the surplus of accumulated revenue profits being the excess of income derived from holding investments less the costs associated with running the Company. This reserve may be distributed by way of dividends.

2. Income

	Year ended 31 March 2020 Income £'000	Year ended 31 March 2020 Capital £'000	Year ended 31 March 2020 Total £'000	Period ended 31 March 2019 Total £'000
Income from investments				
UK dividends	1,922	133	2,055	632
Unfranked investment income	-	-	-	34
Other income				
Bank interest received	24	-	24	49
Other income	3	-	3	-
Total income	1,949	133	2,082	715

3. Portfolio management fee

	Year ended 31 March 2020			Period ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	904	-	904	784	-	784
Performance fee provision	-	-	-	-	-	-
	904	-	904	784	-	784

The Company is liable to pay a performance fee depending on the performance of the Company over a three-year period and thereafter a rolling three-year period as set out in the Company's prospectus dated 26 March 2018. Based on the performance of the Company to 31 March 2020, no performance fee has been accrued. As at 8 June 2020, being the latest date prior to release, due to the impact of market movements since the period end, the Company has no performance fee provision included in the NAV.

Pursuant to the terms of the Portfolio Management Agreement, the Portfolio Manager is entitled, with effect from IPO on 1 May 2018, to receive an annual management fee equal to the lower of: (i) 1% of the NAV (calculated before deduction of any accrued but unpaid Management fee and any performance fee) per annum; or (ii) 1% per annum of the Company's market capitalisation. The annual management fee is calculated and accrues daily and is payable quarterly in arrears.

In addition, the Portfolio Manager will be entitled to a performance fee (the "Performance Fee") in certain circumstances.

The Company's performance is measured over rolling three-year periods ending on 31 March each year (each a "Performance Period"), by comparing the NAV total return per ordinary share over a Performance Period against the total return performance of the NSCI ex IC plus AIM Total Return Index (the "Comparator Index"). The first Performance Period will run from IPO to 31 March 2021.

A Performance Fee is payable if the NAV per ordinary share at the end of the relevant Performance Period (as adjusted to: (i) add back the aggregate value of any dividends per ordinary share paid (or accounted as paid for the purposes of calculating the NAV) to shareholders during the relevant Performance Period; and (ii) exclude any accrual for unpaid Performance Fee accrued in relation to the relevant Performance Period) (the "NAV Total Return per Share") exceeds both:

(i) (a) the NAV per ordinary share IPO, in relation to the first Performance Period; and (b) thereafter the NAV per ordinary share on the first business day of a Performance Period; in each case as adjusted by the aggregate amount of (i) the total return on the Comparator Index (expressed as a percentage); and (ii) 1% per annum over the relevant Performance Period (the "Target NAV per Share");

(ii) the highest previously recorded NAV per ordinary share as at the end of the relevant Performance Period in respect of which a Performance Fee was last paid (or the NAV per ordinary share as at IPO, if no Performance Fee has been paid) (the "High Watermark"); and

(iii) with any resulting excess amount being known as the "Excess Amount".

The Portfolio Manager will be entitled to 10% of the Excess Amount multiplied by the time weighted average number of ordinary shares in issue during the relevant Performance Period to which the calculation date relates. The Performance Fee will accrue daily.

Payment of a Performance Fee that has been earned will be deferred to the extent that the amount payable exceeds 1.75% per annum of the NAV at the end of the relevant Performance Period (amounts deferred will be payable when, and to the extent that, following any later Performance Period(s) with respect to which a Performance Fee is payable, it is possible to pay the deferred amounts without causing that cap to be exceeded or the relevant NAV total return per share to fall below both the relevant target NAV per share and the relevant High Watermark for such Performance Period, with any amount not paid being retained and carried forward).

Subject at all times to compliance with relevant regulatory and tax requirements, any Performance Fee paid or payable shall:

- where as at the relevant calculation date, the ordinary shares are trading at, or at a premium to, the latest published NAV per ordinary share, be satisfied as to 50% of its value by the issuance of new ordinary shares by the Company to the Portfolio Manager (rounded down to the nearest whole number of ordinary shares) (including the reissue of treasury shares) issued at the latest published NAV per ordinary share applicable at the date of issuance;

- where as at the relevant calculation date, the ordinary shares are trading at a discount to the latest published NAV per ordinary share, be satisfied as to 100% of its value in cash and the Portfolio Manager shall, as soon as reasonably practicable following receipt of such payment, use 50% of such Performance Fee payment to make market purchases of ordinary shares (rounded down to the nearest whole number of ordinary shares) within four months of the date of receipt of such Performance Fee payment.

(in each case "Restricted Shares").

Each such tranche of Restricted Shares issued to, or acquired by, the Portfolio Manager will be subject to a lock-up undertaking for a period of three years post issuance or acquisition (subject to customary exceptions).

At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant whitewash resolution having been passed in accordance with the Takeover Code, to receive, or acquire, further ordinary shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code. Where any restriction exists on the issuance of further ordinary shares to the Portfolio Manager, the relevant amount of the Performance Fee may be paid in cash.

In addition, the Portfolio Manager is entitled to reimbursement for all costs and expenses properly incurred by it in the performance of its duties under the Portfolio Management Agreement.

The initial term of the Portfolio Management Agreement is three years commencing on the date of IPO (the “Initial Term”). The Company may terminate the Portfolio Management Agreement by giving the Portfolio Manager not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term. The Portfolio Manager may terminate the Portfolio Management Agreement by giving the Company not less than six months’ prior written notice, such notice not to be served prior to the end of the Initial Term.

4. Other expenses

	Year ended 31 March 2020 £’000	Period ended 31 March 2019 £’000
Directors’ fees*	86	74
Company Secretarial fee	64	57
Administration fee	85	81
Auditor remuneration - audit**	30	29
Auditor remuneration – interim review	-	9
Other expenses	230	205
	495	455

* Peter Hewitt is not receiving a Director fee in respect of his services to the Company. Each of the Directors has agreed to use their applicable Directors' fees (net of applicable taxes) to acquire ordinary shares in the secondary market, subject to regulatory requirements. In relation to any dealings, the Directors will comply with the share dealing code adopted by the Company in accordance with the Market Abuse Regulation. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

** As detailed in the Audit Committee report in the full Annual Report and Financial Statements. No other fees were paid to the Auditor during the year (2019: a further £30,000 was paid to the Auditor relating to accounting services for the prospectus at launch, recognised in the share premium account).

5. Taxation

	Year ended 31 March 2020			Period ended 31 March 2019		
	Revenue £’000	Capital £’000	Total £’000	Revenue £’000	Capital £’000	Total £’000
Analysis of charge in year						
Current tax:						
Overseas tax suffered	7	-	7	5	-	5
	7	-	7	5	-	5

The tax assessed for the year is the standard rate of Corporation Tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 March 2020			Period ended 31 March 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	543	(5,455)	(4,912)	(524)	(1,271)	(1,795)
Theoretical tax at UK corporation tax rate of 19% (2019: 19%)	103	(1,037)	(934)	(99)	(241)	(340)
Effects of:						
UK dividends that are not taxable	(346)	-	(346)	(120)	-	(120)
Foreign dividends that are not taxable	(17)	-	(17)	(7)	-	(7)
Non-taxable investment losses/(gains)	(1)	1,037	1,036	-	241	241
Irrecoverable overseas tax	7	-	7	5	-	5
Unrelieved excess expenses	261	-	261	226	-	226
	7	-	7	5	-	5

Factors that may affect future tax charges
At 31 March 2020, the Company had no unprovided deferred tax liabilities (2019: £nil). At that date, based on current estimates and including the accumulation of net allowable losses, the Company had unrelieved losses of £2,564,000 (2019: £1,189,000) that are available to offset future taxable revenue. A deferred tax asset of £435,000 has not been recognised because the Company is not expected to generate sufficient taxable income in future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus losses.

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Trust meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an Investment Trust company.

6. Earnings per ordinary share

	Year ended 31 March 2020			Period ended 31 March 2019		
	Net return £'000	Weighted average ordinary shares*	Basic and diluted earnings per share pence	Net return £'000	Weighted average ordinary shares*	Basic and diluted earnings per share pence
Revenue	543	88,257,211	0.6	(529)	88,040,346	(0.6)
Capital	(5,455)	88,257,211	(6.2)	(1,271)	88,040,346	(1.4)
Total	(4,912)	88,257,211	(5.6)	(1,800)	88,040,346	(2.0)

* The Company's weighted average number of ordinary shares for the period has been calculated from 1 May 2018, being the date the initial shares were listed for trading.

There are no dilutive instruments issued by the Company.

7. Investments held at fair value through profit or loss

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Opening book cost	68,330	-
Opening investment holding gains	(1,523)	-
Opening fair value	66,807	-
Analysis of transactions made during the year		
Purchases at cost	28,214	69,211
Sales proceeds received	(17,167)	(1,138)
Gains/(losses) on investments	4,342	257
Decrease in investment holding gains	(9,930)	(1,523)
Closing fair value	72,266	66,807
Closing book cost	83,719	68,330
Closing investment holding gains/(losses)	(11,453)	(1,523)
Closing fair value	72,266	66,807
Analysis of capital losses		
Gains on sales of investments based on historical cost	4,342	257
Movement in investment holding gains for the year	(9,930)	(1,523)
Net losses on investments held at fair value	(5,588)	(1,266)
Transaction costs	140	384

The Company is required 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 consists of the following three levels:

– *Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

  An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date. Quoted prices provided by external pricing services, brokers and vendors are included in Level 1, if they reflect actual and regularly occurring market transactions on an arms length basis.

– *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

– *Level 3* – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

	As at 31 March 2020				As at 31 March 2019			
	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Quoted at fair value	72,266	72,266	-	-	66,807	66,807	-	-
Total	72,266	72,266	-	-	66,807	66,807	-	-

There were no transfers between levels during the period.

8. Trade and other receivables

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Other receivables	187	298
	187	298

9. Trade and other payables

	As at 31 March 2020 £'000	As at 31 March 2019 £'000
Due to brokers	1,808	-
Portfolio managers fee	231	208
Directors' fees	-	6
Other payables	119	103
	2,158	317

10. Share capital

	Year ended 31 March 2020		Period ended 31 March 2019	
	Number of Shares	£'000	Number of Shares	£'000
Issued and fully paid:				
Ordinary shares of 1p:				
Balance at beginning of the period	88,257,211	883	-	-
Initial share issue	-	-	87,457,211	875
Subsequent share issues – block listing	-	-	800,000	8
Balance at end of the period	88,257,211	883	88,257,211	883

The Company was incorporated with 1 ordinary share and 50,000 management shares. The management shares were cancelled on 1 May 2018. As at 31 March 2020, the Company held no management shares.

The initial placing of 87,457,210 ordinary shares took place on 1 May 2018, raising gross proceeds of £87,457,000. A further issue of shares of 800,000 took place during the year and raised gross proceeds of £828,000 less issue costs of £12,000.

The Company commenced business on 1 May 2018 when the initial ordinary shares were listed on the premium segment of the Official List of the FCA and admitted to trading on the premium segment of the LSE's main market for listed securities.

Following approval of the Court on 8 August 2018, the share premium account cancellation was effective. The share premium account of £85,495,000 at 7 August 2018 was transferred to a special distributable reserve. The issue costs of £1,447,000 relating to the initial and subsequent listings prior to cancellation were offset against the share premium account.

11. Net asset value per ordinary share

The net asset value attributable to the ordinary shareholders and the net asset value per ordinary share at the year end were as follows:

	As at 31 March 2020	As at 31 March 2019
Net asset value/shareholders funds	£80,095,000	£85,007,000
Number of ordinary shares in issue at the year end	88,257,211	88,257,211
Net asset value per share – Basic and diluted	90.8p	96.3p

12. Financial instruments

Investment objective and policy

The Company primarily invests in smaller company equities quoted on markets operated by the LSE, which the Portfolio Manager believes are trading below intrinsic value and where this value can be increased through strategic, operational, management and financial initiatives.

The Company's investment objective and policy are detailed in the full Annual Report and Financial Statements.

The Company's financial instruments include its investment portfolios, cash balances, trade receivables and trade payables that arise directly from its operations. Adherence to the Company's investment policy is key to mitigating risk.

Risks

The Portfolio Manager monitors the financial risks affecting the Company on an ongoing basis and the Board regularly receive financial information, which is used to identify and monitor risk. All risks are actively reviewed and managed by the Board.

The risks identified arising from the Company's financial instruments are:

(i) market risk, including market price risk, interest rate risk and currency risk;

(ii) liquidity risk;

(iii) credit and counterparty risk

(i) **Market risk**

Market risk is the risk of loss arising from movements in observable market variables. The fair value of future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. The Portfolio Manager assesses the exposure to market risk when making each investment decision and these risks are monitored by the Portfolio Manager on a regular basis and the Board at meetings with the Portfolio Manager.

Market price risk

The Company is exposed to market price risk (i.e. changes in market prices other than those arising from currency or interest rate risk) which may affect the value of investments whose future prices are uncertain. The Company's exposure to market price risk comprises movements in the value of the Company's investments. If the fair value of the Company's investments at the year-end increased or decreased by 10%, then it would have had an impact on the Company's capital return and equity of £7,227,000 (2019: £6,681,000).

The Portfolio Manager manages this risk by following the investment objective as set out in the prospectus. The Portfolio Manager assesses the exposure to market price risk when making each investment decision and monitors the overall level of market price risk on the whole investment portfolio on an ongoing basis. The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future.

Currency risk
Currency risk is the risk that fair values of future cash flows of a financial instrument fluctuate because of changes in foreign exchange rates. The Company has limited exposure to foreign currency fluctuations, it has only one (2019: one) investment in EUR fair valued at £1,157,000 (2019: £1,873,000) impacted by foreign exchange rates which has an immaterial effect on the investment portfolio. A 5% rise or decline in Sterling against the foreign currency denominated investment held at year end would have increased/decreased the net asset value by £58,000 (2019: £94,000). Whilst the Company's other investments are denominated in Sterling, the Company may have currency exposure through the trading activities of its investee companies.

The Portfolio Manager does not hedge underlying portfolio companies.

Interest rate risk
Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate movements may potentially affect future cash flows from the level of income receivable on cash deposits.

The Company's bank balances are subject to a variable rate of interest, it does not generate significant income from interest and the Portfolio Manager does not hedge against this. The Company has no gearing and therefore there is limited downside risk from increasing interest costs on borrowings.

If the Company maintained the following level of cash for a year £9,800,000 (2019: £18,219,000), a 1% increase in interest rates would increase the revenue return and net assets by £98,000 (£182,000). If there was a fall of 1% in interest rates, it would potentially impact the Company by turning positive interest to negative interest. The total effect would be a revenue reduction/cost increase of £98,000 (2019: £182,000).

The portfolio Manager actively manages the cash positions of the Company.

(ii) **Liquidity risk**
The Company's assets mainly comprise readily realisable securities which can be easily sold to meet funding commitments and obligations. Liquidity risk is mitigated by the fact that the Company has £9,800,000 (2019: £18,219,000) cash at bank and the assets are readily realisable. The Company is a closed-end fund, assets do not need to be liquidated to meet redemptions.

The Portfolio Manager maintains a net cash position and intends to maintain this for the foreseeable future. The Portfolio Manager will manage the portfolio to maintain sufficient cash balances to meet its obligations or liabilities as they fall due.

(iii) **Credit risk**
This is the risk a counterparty of the Company will not meet their obligations to the Company.

The Company does not have any significant exposure to credit risk arising from one individual party. Credit risk is spread across a number of counterparties, each having an immaterial effect on the Company's cash flows, should a default happen. The credit standing of all counterparties is reviewed periodically and assesses the debtors to ensure they are neither past due or impaired.

All the investments of the Company which are traded on a recognised exchange are held by the Company's custodian, RBC Investor Services Trust ("RBC"). All the Company's cash is also held by RBC. The Portfolio Manager and the Board actively monitor the relationship with RBC and review RBC's internal control report.

13. Related party transactions

The amounts incurred in respect of Portfolio Management fees during the period to 31 March 2020 was £904,000 (2019: 784,000), of which £231,000 (2019: £208,000) was outstanding at 31 March 2020. The amount accrued in relation to the Performance Fee provision as at 31 March 2020 was £nil (2019: £nil).

Fees paid to the Company's Directors and Directors' shareholdings are disclosed in the Directors' Remuneration Report in the full Annual Report and Financial Statements. At the year end, there were no outstanding fees payable to Directors (2019: £6,000).

14. Subsequent events

Since the period end, the Company has bought back 275,000 Ordinary Shares with a nominal value of £2,750 at a total cost of £230,000, which have been placed in treasury.

Since 31 March 2020, markets and operations have continued to be disrupted by the effects of the COVID-19 pandemic. However, since the year end, the NAV per share has increased by 14.7% to 5 June 2020.

GLOSSARY

AGM
Annual General Meeting

AIC
Association of Investment Companies

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

Comparator Benchmark
The Company's Comparator Benchmark is the NSCI (Numis Smaller Companies Index) ex IC plus AIM Total Return Index. The benchmark is used only as a yard stick to compare investment performance.

Cost
The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Discount/premium
If the share price is lower than the NAV 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 NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium.

Premium/(Discount) Calculation	31 March 2020	31 March 2019	
Closing NAV per share (p)	90.8p	96.3p	a
Closing share price (p)	90.0p	99.3p	b
(Discount)/Premium (c=((b-a)/a) x 100 (%)	(0.9)%	3.1%	c

The discount and performance are calculated in accordance with guidelines issued by the AIC. The discount is calculated using the net asset values per share inclusive of accrued income with debt at market value.

ESG
Environmental, social and governance

EU
European Union

FCA
Financial Conduct Authority

Gearing
Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. If the Company's assets fall, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets. The Company has no borrowings during the year (2019: nil).

IFRS
International Financial Reporting Standards

IPO
Initial public offering

Key Performance Indicators (‘KPIs’)
KPI’s are a shortlist of corporate attributes that are used to assess the general progress of the Company.

LSE
London Stock Exchange

Link
Link Company Matters Limited and Link Alternative Fund Administrators Limited, the Company’s current Company Secretary and Administrator, respectively.

M&A
Mergers and acquisitions

Net Asset Value (‘NAV’)
The NAV is shareholders’ funds expressed as an amount per individual share. Shareholders’ funds are the total value of all of the Company’s assets, at their current market value, having deducted all liabilities and prior charges at their par value, or at their asset value as appropriate. The total NAV per share is calculated by dividing shareholders’ funds of £80,095,000 (2019: £85,007,000) by the number of Ordinary Shares in issue 88,257,211 (2019: 88,257,211) at the year end.

	31 March 2020	31 March 2019
Net asset value/shareholders funds	£80,095,000	£85,007,000
Number of ordinary shares in issue at the year end	88,257,211	88,257,211
Net asset value per share – Basic and diluted	90.8p	96.3p

NAV total return
NAV total return is the closing NAV per share including any cumulative dividends paid as a percentage over the opening NAV.

Ongoing Charges Ratio
As recommended by the AIC in its guidance, ongoing charges are the Company’s annualised expenses (excluding finance costs and certain non-recurring items) expressed as a percentage of the average monthly net assets of the Company during the year as disclosed to the LSE.

	31 March 2020	31 March 2019
Total expenses	1,399,000	1,239,000
Less one time expenses and finance charges	-	21,000
Annualised Ongoing charges (a)	1,399,000	1,328,000*
Average net asset value (b)	84,064,000	85,391,000*
Ongoing charges (a/b) expressed as a %	1.7%	1.6%

* For the period from commencing trading and listed on the LSE on 1 May 2018.

P/E
Price earnings ratio

R&D
Research and development

TMT
Technology, media and telecom

Total assets
Total assets are the sum of both fixed and current assets with no deductions.

Total Return – NAV and Share Price Returns

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the NAV or share price plus dividend income reinvested by the Company at the prevailing NAV or share price.

NAV Total Return	31 March 2020	31 March 2019	
Closing NAV per share (p)	90.8p	96.3p	a
Opening NAV Per share(p)	96.3p	99.3p	b
Dividends reinvested (p)	-	-	
NAV total return (c=((a-b)/b x 100) (%)	(5.7%)	(2.1%)#	c

Share Price Total Return	31 March 2020	31 March 2019	
Closing share price (p)	90.0p	99.3p	a
Opening share price (p)	99.3p	100.0p	b
Dividends reinvested (p)	-	-	
Share price total return (c=((a-b)/b x 100) (%)	(9.4%)	(0.7%)#	c

For the period from commencing trading and listed on the LSE on 1 May 2018.

Total return per ordinary share
Total return per ordinary share is the total return for the period expressed as an amount per weighted average ordinary share.

UCITS
Undertakings for the Collective Investment in Transferable Securities

Volatility
The term volatility describes how much and how quickly the share price or net asset value has tended to change in the past. Those investments with the greatest movement in their share prices are known as having high volatility, whereas those with a narrow range of change are known as having low volatility.

ANNUAL GENERAL MEETING
The Company's AGM will be held at the offices of Odyssean Capital LLP, 6 Stratton Street, Mayfair, London W1J 8LD at 10.30 am on 22 September 2020.

The notice of this meeting will be circulated to shareholders in due course and will also be made available on the Company's website at www.oitplc.com.

NATIONAL STORAGE MECHANISM
A copy of the Annual Report and Financial Statements will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

ENDS

Neither the contents of Odyssean Investment Trust PLC's website nor the contents of any website accessible from hyperlinks on the website (or any website) is incorporated into, or forms part of, this announcement.