Schroder UK Mid Cap Fund plc

Half Year Report and Accounts

For the six months ended
31 March 2021

Key messages

- A high conviction portfolio targeting 40-50 holdings, with the goal of delivering a return in excess of the FTSE 250 ex Investment Trusts Index, offering exposure to a wide spectrum of investment sectors and themes and both UK and overseas earnings.
- The Manager seeks out resilient companies that are capable of delivering high risk-adjusted returns with rising cash flows and earnings. They can be disruptors, which challenge the status quo within the marketplace, or established companies which can grow sustainably as they reinvent themselves in response to the disruption. Resilience comes from strong finances, leading ESG/sustainability practices and clear strategic direction.
- The investment process is proven and repeatable, having generated returns of 13.6% p.a. versus 10.6% p.a. for the Benchmark since Schroders became the Manager in 2003*.

  **Source: Schroders, Morningstar, 1 May 2003 to 30 September 2020. Net asset value total return compared to the Benchmark of the FTSE All-Share ex Investment Trusts ex FTSE 100 TR Index until 2011, and subsequently the FTSE 250 ex Investment Trusts Index. Past performance is not a guide to future performance and may not be repeated.*

Investment objective

Schroder UK Mid Cap Fund plc's (the "Company") investment objective is to invest in mid cap equities with the aim of providing a total return in excess of the FTSE 250 ex Investment Trusts Index.

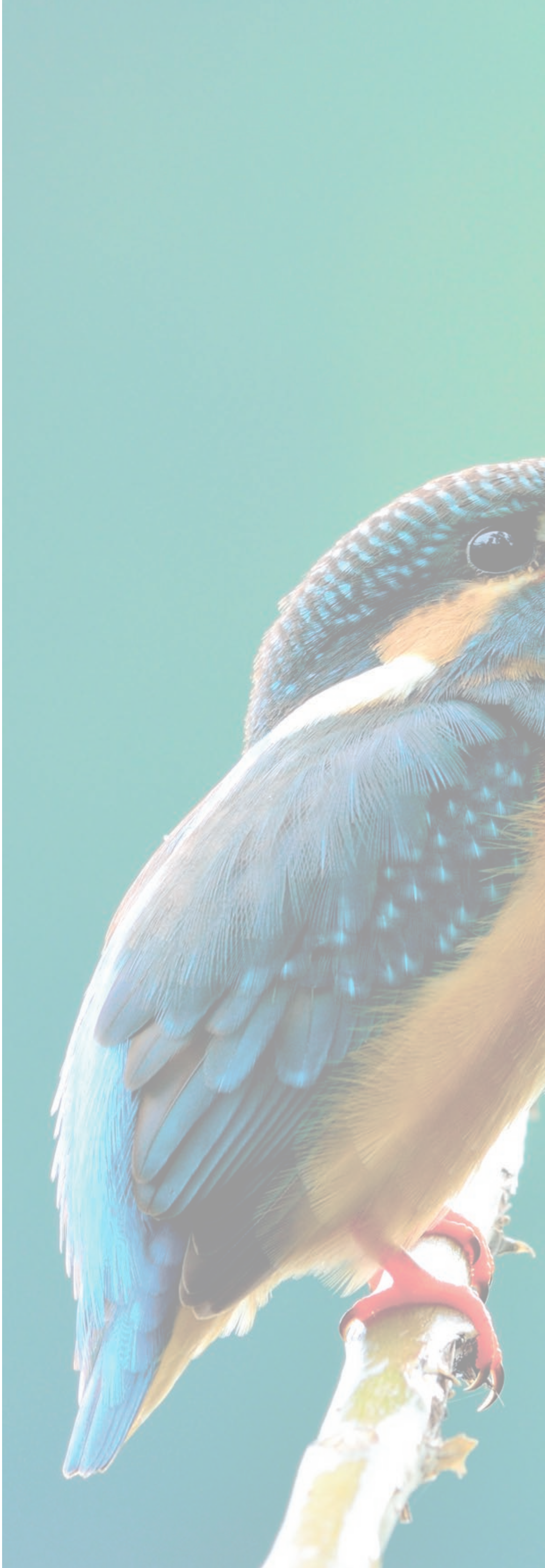
Investment policy

The Manager applies a high conviction approach, managing a focused portfolio of resilient companies that are all capable of delivering excess risk-adjusted returns with rising cash flows and earnings. Fundamental research forms the basis of each investment decision taken by the Manager.

The Company will predominantly invest in companies from the FTSE 250 Index, but may hold up to 20% of its portfolio in equities and collective investment vehicles outside the benchmark index.

The Company may also invest in other collective investment vehicles where desirable, for example to provide exposure to specialist areas within the universe.

The Company has the ability to use gearing for investment purposes up to 25% of total assets.



Contents

Financial Highlights

Total returns for the six months ended 31 March 2021[1]

+23.9%
Net asset value ("NAV") per share[2]

+47.1%
Share price[2]

+28.8%
Benchmark[3]

[1]Total returns represent the combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares of the Company at the time the shares were quoted ex-dividend (to calculate the share price total return) or in the assets of the Company at its NAV per share (to calculate the NAV per share total return).

[2]Source: Morningstar.

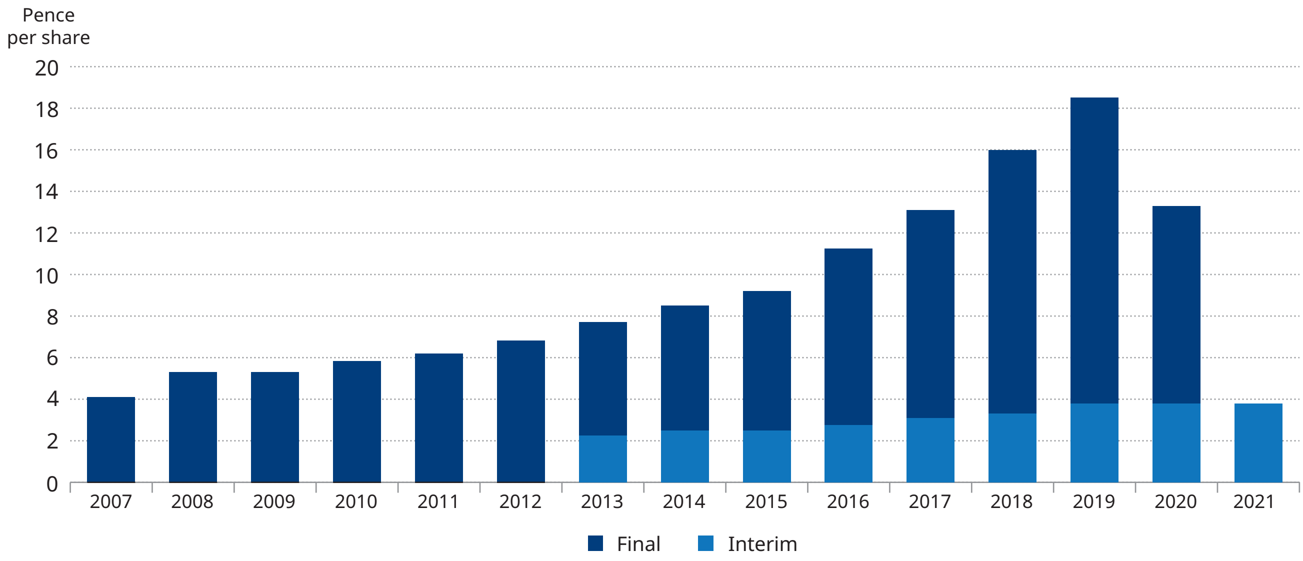
[3]Source: Thomson Reuters. The Company's Benchmark is the FTSE 250 ex Investment Trusts Index.

Other financial information

	31 March 2021	30 September 2020	% Change
Shareholders' funds (£'000)	**244,099**	199,524	+22.3
Shares in issue	**35,066,190**	35,066,190	–
NAV per share (pence)	**696.11**	568.99	+22.3
Share price (pence)	**664.00**	458.50	+44.8
Share price discount to NAV per share (%)	**4.6**	19.4	
Gearing (%)[1]	**4.8**	5.3	

[1] Borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

Dividend record since 2007



Chairman's Statement

I am pleased to present my first report as Chairman following the retirement of Eric Sanderson from the Board at the AGM in February 2021. Unfortunately, he was not able to say farewell to shareholders in person owing to pandemic-related restrictions. My Board colleagues and I would like to thank Eric for his nine years of service to the Company, six of them as Chairman, and we wish him well for the future.

Investment and share price performance

During the six month period to 31 March 2021, the Company's net asset value total return ("NAV") was 23.9% compared to the 28.8% from the Company's Benchmark (FTSE 250 ex Investment Trusts Index). While this was a strong absolute return our relative performance was impacted by the rise in the UK equity market being dominated by those companies which were seen as shorter-term winners from the re-opening of the economy. However, over the last 12 months the share price has produced a total return to shareholders of 47.1%, reflecting in part a return of interest in the UK equity market and in particular to mid cap stocks, as well as the discount to NAV that the Company trades at narrowing significantly to 4.6% at the end of March 2021. This reduction in the share price discount to NAV has been maintained and was 3.9% as of Friday, 18 June 2021. In the 12 months to the end of March 2021 the NAV of the Company has delivered 15.8% outperformance of the Company's Benchmark, building upon a good longer-term record.

The Board is encouraged by this performance and believes it reflects the refinements our Manager has made to their investment strategy. These include reducing the number of investments in the portfolio in favour of an approach with higher conviction and maintaining a specific focus on resilient companies with strong finances, which lead on sustainable business practices and have clear strategic direction. While this emphasis upon higher quality companies will not deliver outperformance in all periods, the historical equity market evidence supports the Board's belief that over the longer-term it should deliver superior returns to shareholders.

More detailed comment on the performance of your Company may be found in the Manager's review.

Gearing

Net gearing as at 31 March 2021 was 4.8% vs. 5.3% at the year end, as the Manager continued to see opportunities in the market to deploy some of the Company's £25 million term loan. The use of this gearing increased the returns from the portfolio and contributed to the strong share price performance.

Revenue and dividends

In the Annual Report for the year ended 30 September 2020, my predecessor informed shareholders of the reduction in portfolio income received during the year, as a result of the COVID-19 induced lockdowns, and the cut or suspension of dividends from portfolio companies that resulted from it. The Board therefore decided to reduce the dividend to a realistic and sustainable level which we would hope to at least maintain in future years and in so doing utilised some of the Company's strong revenue reserves thus mitigating the recent fall in dividend income.

The Board has announced an unchanged interim dividend of 3.80 pence per share for the year ending 30 September 2021.

Discount management

In the six month period to 31 March 2021 and up to the date of this report, the Company has not utilised its share buyback authorities as the Company's share price has seen a significant re-rating and is trading much closer to its underlying NAV. The Board continues to monitor the discount and will consider share repurchases should it widen to a level at which the Board believes buybacks are in shareholders' best interests.

Similarly, the Board will consider the issuance of shares from treasury to satisfy demand in the market should the Company's shares trade at a sustained premium to NAV, as the Board believes it is in the best interests of shareholders to support the growth of the Company's available investment capital through issuance.

Outlook

While the pandemic has created severe short-term challenges for the economy, in doing so it has tested business models and allowed those with the strongest long-term potential to thrive. In our last Annual Report, our portfolio managers described how Schroders sought to invest in these resilient companies that could grow sustainably, and the Board believes that the Company's performance over the last twelve months demonstrates the benefits of our Manager's consistent approach.

Chairman's Statement

The Board is pleased with the strong absolute progress made by the Company in the six months ended 31 March 2021 as the UK economy has continued to emerge from lockdown. The ongoing COVID-19 crisis still poses some risks to the recovery in economic activity but current forecasts paint the picture of growing confidence and building momentum. This should present our portfolio managers with many opportunities to identify interesting stock picking investment ideas for the benefit of shareholders. In the absence of a further serious wave of COVID-19 infections in the UK, the Board remains optimistic about the prospects for the second half of the Company's financial year.

Robert Talbut
Chairman

22 June 2021

Manager's Review

Market background

Equities performed very well on the back of positive news around COVID-19 vaccines, which allowed markets to look past the global pandemic with more confidence. The FTSE 250 ex Investment Trusts Index rose 28.8% over the period compared to a 16.4% gain in the FTSE 100.

Lowly valued and economically sensitive areas of the market outperformed as did many UK assets, including sterling and UK equities, reversing some of the underperformance they suffered versus other regions early on in the pandemic. Within markets there was a rotation away from resilient businesses which had performed very well for the most part of 2020, including a number of perceived direct beneficiaries of the pandemic.

UK equities responded well to the vaccine news in November and then again to the Brexit trade deal. An improving domestic economic outlook was the key driver in Q1 as the country's vaccination programme set the benchmark for distribution standards. Domestically focused areas and small and mid cap equities responded particularly well to this confluence of events.

In common with expansive fiscal policies in other developed economies, the UK chancellor confirmed in his annual budget that austerity remained firmly off the table as the country took tentative first steps to ease lockdown restrictions. UK inward merger and acquisition activity regained momentum as global dealmaking picked up, with mid caps a particular focus (see: Why are UK mid caps in such an M&A sweetspot right now)[1].

Portfolio performance

The NAV achieved a total return of 23.9%, but underperformed the Benchmark by 4.9% over the six month period. However the share price achieved a total return of 47.1%, having recovered from its March 2020 low of 288p to end the period at 664p, the discount having narrowed significantly to 4.6%. This in our view reflects the strong +15.8% 12-month NAV outperformance of the Benchmark.

The largest detractors over this period have been some of our best long-term (3 years plus) investments. Pet retailer and services provider **Pets at Home** underperformed as the market checked its exceptional performance during the first three quarters. We remain confident that there is further potential for strong sales growth in pet care and veterinary services in particular, driven by the recent boom in pet ownership: UK households have added an additional 3.2m pets since the onset of the pandemic (source: PFMA). Another of our holdings which gave back some previous stellar performance is fantasy games company **Games Workshop**. Despite enforced store closures, the market viewed the stock as a 'Lockdown leader' and with restrictions beginning to ease, performance unwound over the period. Whilst it is true that Games Workshop has had a "cracking" year (to quote its CEO), its best ever, we believe that there is further to go as stores reopen, the US expansion continues, and further licensing deals are done. Home furnishing retailer **Dunelm**, also viewed by the market, we believe rather one-dimensionally, as a lockdown winner, detracted from performance. A management share sale during the period added to the pressure, as did a period of pandemic related store closures, which resulted in weaker than expected sales in the January-March 2021 period. However, the company has since reported that since stores have re-opened, sales are +59% compared with 2019 (as one year ago stores were closed, therefore making comparison less relevant), and that it is winning market share, proof that the combination of stores and a strong online offer is key in the new retail battleground. Despite delivering consecutive upgrades during the period, **Computacenter** shares also underperformed, again tarred with the "lockdown winner" brush. This is another example of a company which can continue to benefit from a structural growth market (ongoing digitalisation) in addition to any lockdown boost. All of the companies discussed above now have stronger balance sheets than they did pre pandemic which we believe can only mean a strengthened competitive position from here; see our outlook commentary on the strong getting stronger as we exit the pandemic.

Positive contributors in the period included domestic housebuilders **Crest Nicholson** and **Vistry**. Housebuilders have seen a surge in demand for properties, particularly houses, with the onset of the working from home revolution, government support from the extension to the stamp duty holiday, and spend being directed away from travel and leisure (anything enjoyable, more generally) and into housing. Online gaming company **Gamesys**, a new holding in 2020, was bid for. Automotive distributor and retailer **Inchcape** posted a better-than-expected full-year profit and resumed its annual dividend, thanks to a strengthened, net cash, balance sheet. Being able to offer click and collect meant that it could continue delivering vehicles despite car showrooms being shut due to the pandemic. The company's new CEO, who has a technology background, has launched a new strategy to harness the huge amount of data Inchcape gathers from each vehicle sold and serviced so that the company will capture more of a vehicle's lifetime value (e.g. 3rd and 4th owners). **Royal Mail** shares continued to perform, as the pandemic further fuelled online sales and parcel deliveries. The company delivered 496 million parcels (+30% vs the prior year) in the final three months of 2020, a record performance. The pandemic has meant that, amazingly, this year's revenues are three years ahead of where they were expected to be. Post the period end, the stock has been promoted to the FTSE 100, which is a satisfying result and a key element of our investment strategy of looking to invest in the FTSE 100 companies of the future.

[1] https://www.schroders.com/en/insights/economics/why-are-uk-mid-caps-in-such-an-ma-sweetspot-right-now/

Manager's Review

Stocks held – significant positive and negative contributions versus the benchmark

Positive contributor	Portfolio weight[1] (%)	Weight relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
Inchcape	2.7	+1.8	42.1	+0.5
Vistry	1.7	+1.0	66.9	+0.5
Gamesys	1.9	+1.6	33.3	+0.4
Crest Nicholson	1.1	+0.8	77.8	+0.4
Royal Mail	1.8	+0.7	82.3	+0.4

Negative contributor	Portfolio weight[1] (%)	Weight relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
Dunelm	4.0	+3.6	-35.0	-1.4
Pets at Home	3.0	+2.3	-30.5	-0.9
Computacenter	2.7	+2.1	-28.6	-0.7
Telecom Plus	2.4	+2.0	-32.0	-0.6
Games Workshop	3.2	+2.0	-30.0	-0.6

Source: Schroders, Factset, close 30 September 2020 to close 31 March 2021.
[1]Weights are averages.
[2]Performance of the stock in the index relative to the FTSE 250 (ex. ITs) Index return.
[3]Impact is the contribution to performance relative to the FTSE 250 (ex. ITs) Index.

Turning to stocks not held, our lack of exposure within the travel sector most notably weighed on returns. Not owning Easyjet and Tui, for example, whose shares rose dramatically on the news of the vaccine, detracted from performance. These types of shares continued to rise during the period as restrictions and the lockdown roadmap was announced. Both have since reported increasingly heavy losses and very high levels of net debt (£2bn and €6.8bn, respectively). Lack of exposure to media firm ITV and aerospace firm Meggitt, both seen as vaccine winners, also detracted from performance.

Stocks not held – largest contributions relative to the benchmark

Positive contributor	Portfolio weight[1] (%)	Weight relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
Centamin	–	-0.5	-77.5	0.7
Hiscox	–	-1.2	-32.5	0.3
Spirent Comms	–	-0.6	-42.5	0.3
Assura	–	-0.7	-33.6	0.3
Avon Rubber	–	-0.4	-54.0	0.2

Negative contributor	Portfolio weight[1] (%)	Weight relative to index (%)	Relative performance[2] (%)	Impact[3] (%)
ITV	–	-1.3	48.9	-0.5
Meggitt	–	-1.1	56.6	-0.5
Virgin Money	–	-0.6	130.2	-0.5
Easyjet	–	-0.9	66.2	-0.4
Tui	–	-0.8	70.5	-0.4

Source: Schroders, Factset, close 30 September 2020 to close 31 March 2021.
[1]Weights are averages.
[2]Performance of the stock in the index relative to the FTSE 250 (ex. ITs) Index.
[3]Impact is the contribution to performance relative to the FTSE 250 (ex. ITs) Index.

Portfolio activity

Attractively priced structural growth opportunities continued to influence our new additions to the portfolio. We added holdings in **NCC** and **Chemring**, both of which have significant operations in cyber security, a trend which is set to continue to grow in a post COVID-19 world. We believe both stocks represented good value versus other cyber security companies. We started a new position in industrial and electronics distributor **Electrocomponents**, which we believe is set to gain market share online in this space and which has a competitive and high margin own label offering. Continuing with the theme of online commerce, we participated in the IPO of **Trustpilot**. With online reviews becoming an essential part of winning new customers, this open review platform provides consumers with essential information about both products and services. We expect that a Trustpilot rating will become more and more of a "must have" for small and medium sized consumer facing businesses not only in the home markets of the UK and Denmark but also, potentially, in markets such as the US where the company is already making inroads.

Manager's Review

Moving to the more notable complete sales for the period, within the travel and leisure sector, we sold our holding in JD Wetherspoon when, following their capital raise, which we supported, the shares went to a significant premium. Valuation remains a key element of our sales discipline as demonstrated by the disposal of airline Wizz Air. Finally, we disposed of our position in bookmaker William Hill following a bid from US partner Caesars. The deal seeks to consolidate the joint venture partnership between the two companies to take advantage of the fast growing and deregulating online sports gaming market in the US.

We currently hold 51 stocks in the portfolio, down from 54 at the financial year end. Gearing at the end of the period was 4.8% vs. 5.3% at the September year end.

Outlook

We're increasingly optimistic on the outlook for the UK economy and many of the domestically-focused mid cap companies exposed to it. The building congestion on our roads is clear, everyday evidence of an economic recovery. Official statistics are also highly supportive of this view – higher than expected employment, lower than expected unemployment, very strong retail sales data and rising house prices to name a handful. The Bank of England is now forecasting GDP growth of 7.25% for the UK this year (upgraded from 5.0%), a level of growth last seen post WWII, and helpful in the context of paying down national debt via the tax take.

Just over a year ago, when the implications of the pandemic were becoming clear, we kept faith in our homework. The crisis has meant that companies have had to accelerate fundamental changes to their businesses driven by customers' changing needs. As usual, it has been the companies with genuine competitive advantages which have been most successful during the period in terms of market positions and balance sheets. As mentioned above, many have stronger balance sheets than they had before the crisis (the majority of the companies listed below, for example), without needing to raise any capital, other than for earnings accretive M&A purposes. This is an exciting position to be in, particularly given the backdrop of the chancellor's super deduction, which could see management teams seeking to increase investment to grow companies. This demonstrates the importance of keeping some investment discipline in what feels like an increasingly short-term world.

With this in mind, as investors, we continue to primarily focus on seeking out the next mid cap disruptor, while looking to avoid the next industry to be disrupted.

Largest overweight positions

	Sector	Portfolio weight %	Index weight %	Difference %
Dunelm	Consumer Services	4.0	0.5	+3.5
Diploma	Industrials	3.5	1.0	+2.5
Inchcape	Consumer Services	3.2	1.0	+2.2
Oxford Instruments	Industrials	2.5	0.3	+2.2
Spectris	Industrials	3.4	1.2	+2.2
Man Group	Financials	2.9	0.7	+2.2
Gamesys	Consumer Goods	2.6	0.5	+2.1
Bodycote International	Industrials	2.6	0.5	+2.1
Pets at Home	Consumer Services	2.7	0.6	+2.1
Computacenter	Technology	2.6	0.5	+2.1

Source: Schroders, as at 31 March 2021, for Schroder UK Mid Cap Fund investment portfolio. Index refers to FTSE 250 ex Investment Trusts.

Schroder Investment Management Limited
22 June 2021

The securities shown above are for illustrative purposes only and are not to be considered recommendations to buy or sell. Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

Investment Portfolio as at 31 March 2021

Stocks in bold are the 20 largest investments, which by value account for 54.9% (31 March 2020: 56.0% and 30 September 2020: 56.6%) of total investments. The investments are all equities.

	£'000	%
Industrials		
Diploma	**8,969**	**3.5**
Spectris	**8,650**	**3.4**
Grafton	**6,861**	**2.7**
Bodycote International	**6,608**	**2.6**
Royal Mail	**6,489**	**2.5**
Oxford Instruments	**6,480**	**2.5**
QinetiQ	**6,320**	**2.5**
International Workplace	5,446	2.1
Electrocomponents	4,568	1.8
Keller	4,261	1.7
Chemring	3,733	1.5
Renishaw	3,458	1.4
Redde Northgate	3,388	1.3
James Fisher	3,162	1.2
Paypoint	2,805	1.1
RWS	1,198	0.5
Total Industrials	**82,396**	**32.3**
Financials		
Man Group	**7,408**	**2.9**
Safestore	**6,364**	**2.5**
IG Group	**5,992**	**2.4**
Paragon	5,491	2.2
Brewin Dolphin	4,681	1.8
CLS	4,580	1.8
Londonmetric Property	3,952	1.6
Grainger	3,735	1.5
Investec	1,643	0.6
Total Financials	**43,846**	**17.3**
Consumer Goods		
Games Workshop	**7,665**	**3.0**
Gamesys	**6,691**	**2.6**
Cranswick	**5,636**	**2.2**
Vistry	5,460	2.1
Redrow	4,706	1.8
Crest Nicholson	3,672	1.4
A.G. Barr	3,430	1.3
PZ Cussons	2,753	1.1
Ted Baker	1,503	0.6
Total Consumer Goods	**41,516**	**16.1**

	£'000	%
Consumer Services		
Dunelm	**10,124**	**4.0**
Inchcape	**8,057**	**3.2**
Pets at Home	**6,852**	**2.7**
Genus	4,275	1.7
Future	4,053	1.6
4Imprint	2,573	1.0
Superdry	402	0.2
Total Consumer Services	**36,336**	**14.4**
Technology		
Computacenter	**6,636**	**2.6**
IP Group	**6,099**	**2.4**
Playtech	**6,010**	**2.4**
Micro Focus	1,637	0.6
Trustpilot	1,276	0.5
NCC	901	0.3
Total Technology	**22,559**	**8.8**
Basic Materials		
Synthomer	**5,754**	**2.3**
Victrex	5,525	2.2
Anglo Pacific	3,235	1.3
Total Basic Materials	**14,514**	**5.8**
Telecommunications		
Telecom Plus	5,271	2.1
Total Telecommunications	**5,271**	**2.1**
Healthcare		
Dechra Pharmaceuticals	4,916	1.9
Total Healthcare	**4,916**	**1.9**
Oil and Gas		
Cairn Energy	3,312	1.3
Total Oil and Gas	**3,312**	**1.3**
Total investments	**254,666**	**100.0**

Half Year Report

Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties faced by the Company for the remaining six months of the financial year, which could have a material impact on performance, remain consistent with those on pages 19 to 21 in the Annual Report and Accounts for the year ended 30 September 2020.

Going concern

Having assessed the Company's principal risks and uncertainties, the impact of the COVID-19 pandemic, its current financial position, its cash flows, its liquidity position and FRC guidance, the Directors consider it appropriate to adopt the going concern basis in preparing the accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 March 2021.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in October 2019 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Income Statement

For the six months ended 31 March 2021 (unaudited)

	(Unaudited) For the six months ended 31 March 2021			(Unaudited) For the six months ended 31 March 2020			(Audited) For the year ended 30 September 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	**–**	**46,049**	**46,049**	–	(66,485)	(66,485)	–	(18,945)	(18,945)
Income from investments	**2,376**	**736**	**3,112**	2,265	–	2,265	4,155	–	4,155
Other interest receivable and similar income	**–**	**–**	**–**	4	–	4	4	–	4
Gross return/(loss)	**2,376**	**46,785**	**49,161**	2,269	(66,485)	(64,216)	4,159	(18,945)	(14,786)
Investment management fee	**(242)**	**(564)**	**(806)**	(208)	(484)	(692)	(402)	(939)	(1,341)
Administrative expenses	**(259)**	**–**	**(259)**	(300)	–	(300)	(516)	–	(516)
Net return/(loss) before finance costs and taxation	**1,875**	**46,221**	**48,096**	1,761	(66,969)	(65,208)	3,241	(19,884)	(16,643)
Finance costs	**(57)**	**(133)**	**(190)**	(27)	(65)	(92)	(86)	(200)	(286)
Net return/(loss) before taxation	**1,818**	**46,088**	**47,906**	1,734	(67,034)	(65,300)	3,155	(20,084)	(16,929)
Taxation (note 3)	**–**	**–**	**–**	–	–	–	–	–	–
Net return/(loss) after taxation	**1,818**	**46,088**	**47,906**	1,734	(67,034)	(65,300)	3,155	(20,084)	(16,929)
Return/(loss) per share (note 4)	**5.18p**	**131.43p**	**136.61p**	4.89p	(189.20)p	(184.31)p	8.92p	(56.79)p	(47.87)

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the period.

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

Statement of Changes in Equity

For the six months ended 31 March 2021 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2020	9,036	13,971	220	2,184	9,908	157,980	6,225	199,524
Net return after taxation	–	–	–	–	–	46,088	1,818	47,906
Dividend paid in the period (note 5)	–	–	–	–	–	–	(3,331)	(3,331)
At 31 March 2021	**9,036**	**13,971**	**220**	**2,184**	**9,908**	**204,068**	**4,712**	**244,099**

For the six months ended 31 March 2020 (unaudited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2019	9,036	13,971	220	2,184	13,337	178,064	9,612	226,424
Repurchase of the Company's own shares into treasury	–	–	–	–	(2,103)	–	–	(2,103)
Net (loss)/return after taxation	–	–	–	–	–	(67,034)	1,734	(65,300)
Dividend paid in the period (note 5)	–	–	–	–	–	–	(5,198)	(5,198)
At 31 March 2020	**9,036**	**13,971**	**220**	**2,184**	**11,234**	**111,030**	**6,148**	**153,823**

For the year ended 30 September 2020 (audited)

	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2019	9,036	13,971	220	2,184	13,337	178,064	9,612	226,424
Repurchase of the Company's own shares into treasury	–	–	–	–	(3,429)	–	–	(3,429)
Net (loss)/return after taxation	–	–	–	–	–	(20,084)	3,155	(16,929)
Dividends paid in the year (note 5)	–	–	–	–	–	–	(6,542)	(6,542)
At 30 September 2020	**9,036**	**13,971**	**220**	**2,184**	**9,908**	**157,980**	**6,225**	**199,524**

Statement of Financial Position at 31 March 2021

	(Unaudited) 31 March 2021 £'000	(Unaudited) 31 March 2020 £'000	(Audited) 30 September 2020 £'000
Fixed assets			
Investments held at fair value through profit or loss	**254,666**	164,498	210,161
Current assets			
Debtors	**1,556**	365	1,380
Cash at bank and in hand	**13,400**	14,686	14,504
	14,956	15,051	15,884
Current liabilities			
Creditors: amounts falling due within one year	**(523)**	(726)	(1,521)
Net current assets	**14,433**	14,325	14,363
Total assets less current liabilities	**269,099**	178,823	224,524
Creditors: amounts falling due after more than one year (note 6)	**(25,000)**	(25,000)	(25,000)
Net assets	**244,099**	153,823	199,524
Capital and reserves			
Called-up share capital (note 7)	**9,036**	9,036	9,036
Share premium	**13,971**	13,971	13,971
Capital redemption reserve	**220**	220	220
Merger reserve	**2,184**	2,184	2,184
Share purchase reserve	**9,908**	11,234	9,908
Capital reserves	**204,068**	111,030	157,980
Revenue reserve	**4,712**	6,148	6,225
Total equity shareholders' funds	**244,099**	153,823	199,524
Net asset value per share (note 8)	**696.11p**	435.01p	568.99p

Registered in Scotland as a public company limited by shares

Company registration number: SC082551

Notes to the Accounts

1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 30 September 2020 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommend Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in October 2019.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2020.

3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income.

4. Return/(loss) per share

	(Unaudited) For the six months ended 31 March 2021 £'000	(Unaudited) For the six months ended 31 March 2020 £'000	(Audited) For the year ended 30 September 2020 £'000
Revenue return	**1,818**	1,734	3,155
Capital return/(loss)	**46,088**	(67,034)	(20,084)
Total return/(loss)	**47,906**	(65,300)	(16,929)
Weighted average number of shares in issue during the period	**35,066,190**	35,430,370	35,362,365
Revenue return per share	**5.18p**	4.89p	8.92p
Capital return/(loss) per share	**131.43p**	(189.20)p	(56.79)p
Total return/(loss) per share	**136.61p**	(184.31)p	(47.87)p

Notes to the Accounts

5. Dividends

	(Unaudited) For the six months ended 31 March 2021 £'000	(Unaudited) For the six months ended 31 March 2020 £'000	(Audited) For the year ended 30 September 2020 £'000
2020 final dividend paid of 9.5p (2019: 14.7p)	**3,331**	5,198	5,198
Interim dividend of 3.8p	**–**	–	1,344
	3,331	5,198	6,542

An interim dividend of 3.8p (2019: 3.8p) per share, amounting to £1,333,000 (2019: £1,344,000), has been declared payable in respect of the six months ended 31 March 2021.

6. Creditors: amount falling due after more than one year

	(Unaudited) 31 March 2021 £'000	(Unaudited) 31 March 2020 £'000	(Audited) 30 September 2020 £'000
Bank Loan	**25,000**	25,000	25,000

The bank loan is a £25 million three-year term loan from Scotiabank Europe plc, expiring in February 2023 and carrying a fixed interest rate of 1.546% per annum.

7. Called-up share capital

	(Unaudited) Six months ended 31 March 2021 £'000	(Unaudited) Six months ended 31 March 2020 £'000	(Audited) Year ended 30 September 2020 £'000
Changes in called-up share capital during the period were as follows:			
Opening balance of ordinary shares of 25p each, excluding shares held in treasury	**8,766**	8,935	8,935
Repurchase of shares into treasury	**–**	(95)	(169)
Subtotal of ordinary shares of 25p each, excluding shares held in treasury	**8,766**	8,840	8,766
Shares held in treasury	**270**	196	270
Closing balance of ordinary shares of 25p each, including shares held in treasury	**9,036**	9,036	9,036

Notes to the Accounts

	(Unaudited) Six months ended 31 March 2020	(Unaudited) Six months ended 31 March 2019	(Audited) Year ended 30 September 2019
Changes in the number of shares in issue during the period were as follows:			
Ordinary shares of 25p each, allotted, called-up and fully paid			
Opening balance of shares in issue, excluding shares held in treasury	**35,066,190**	35,741,190	35,741,190
Repurchase of shares into treasury	**–**	(380,000)	(675,000)
Closing balance of shares in issue, excluding shares held in treasury	**35,066,190**	35,361,190	35,066,190
Closing balance of shares held in treasury	**1,077,500**	782,500	1,077,500
Closing balance of shares in issue, including shares held in treasury	**36,143,690**	36,143,690	36,143,690

8. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the 35,066,190 (31 March 2020: 35,361,190 and 30 September 2020: 35,066,190) shares in issue, excluding shares held in treasury.

9. Financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio. At 31 March 2021, all investments in the Company's portfolio were categorised as Level 1 in accordance with the criteria set out in paragraph 34.22 (amended) of FRS 102. That is, they are all valued using unadjusted quoted prices in active markets for identical assets (31 March 2020 and 30 September 2020: same).

10. Events after the interim period that have not been reflected in the financial statements for the interim period

The Directors have evaluated the period since the interim date and have not noted any events which have not been reflected in the financial statements.

www.schroders.co.uk/ukmidcap

Directors

Robert Talbut (Chairman)
Wendy Colquhoun
Clare Dobie
Andrew Page

Advisers

Alternative Investment Fund Manager ("Manager")

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU

Investment manager and company secretary

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Telephone: 020 7658 6596

Registered office

1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Depositary and custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Lending bank

Scotiabank Europe PLC
201 Bishopsgate
London EC2M 3NS

Corporate broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Legal advisers

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
Shareholder Helpline: 0800 032 0641*
Website: www.shareview.co.uk

*Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Independent auditor

KPMG LLP
319 St Vincent Street
Glasgow G2 5AS

AIFM Directive disclosures

Certain pre-sale, regular and periodic disclosures required by the Alternative Investment Fund Managers ("AIFM") Directive may be found on its webpages.

The Company's leverage policy and details of limits on leverage required under the AIFM Directive are published on its webpages.

Dealing codes

ISIN: GB0006108418
SEDOL 0610841
Ticker: SCP

Global Intermediary Identification Number (GIIN)

9GN3DU.99999.SL.826

Legal Entity Identifier (LEI)

549300SOEWCYZTK2SP87

The Company's privacy notice is available on its webpage.

MIX
Paper from responsible sources
FSC www.fsc.org FSC® C005244

Schroders