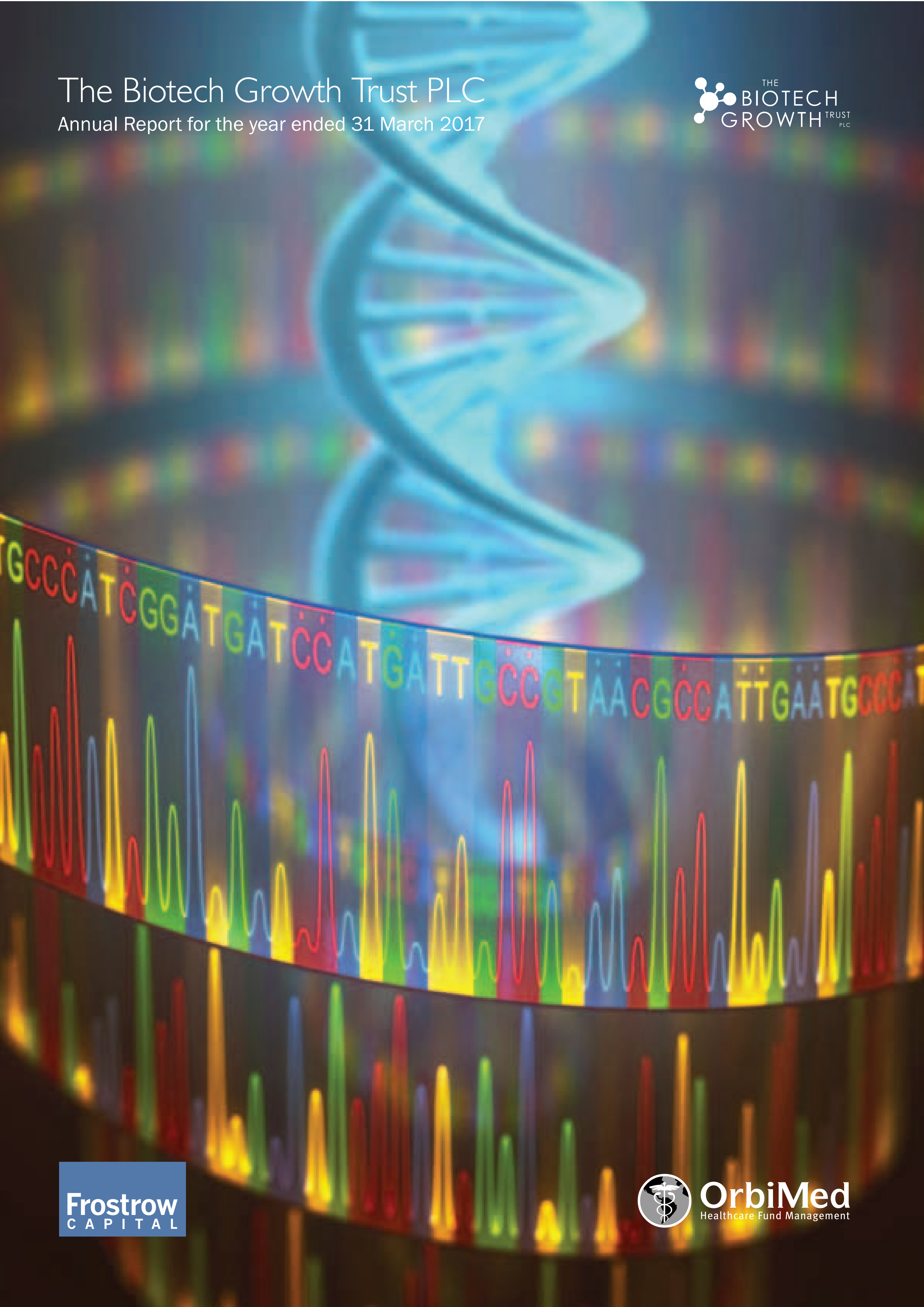
The Biotech Growth Trust PLC

Annual Report for the year ended 31 March 2017



THE BIOTECH GROWTH TRUST PLC

Frostrow CAPITAL

OrbiMed Healthcare Fund Management

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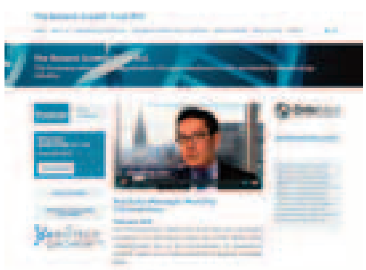

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Winner:

Money Observer Awards, Best Large Trust 2015

Investment Adviser 100 Club, Specialist Sectors and Assets Category 2015

PREMIUM MAIN MARKET LONDON STOCK EXCHANGE

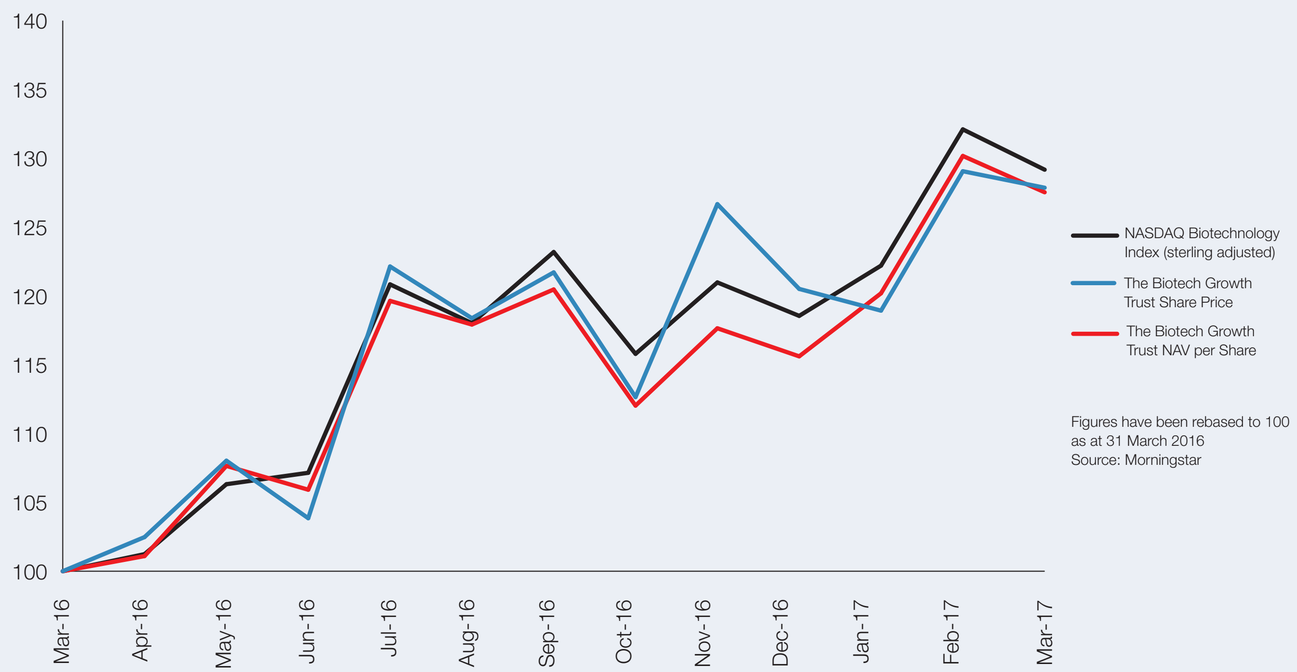
Strategic Report / Financial Highlights

Net asset value per share	Share price	Benchmark*
+27.5%	+27.9%	+29.2%
2016: -24.8%	2016: -26.3%	2016: -21.8%

*NASDAQ Biotechnology Index (sterling adjusted)

Discount of share price to net asset value per share	Ongoing Charges Ratio
6.6%	1.1%
2016: 6.8%	2016: 1.0%

Performance for the year to 31 March 2017



Strategic Report / Key Information

About The Biotech Growth Trust PLC

The Biotech Growth Trust PLC seeks capital appreciation through investment in the worldwide biotechnology industry. In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis.

Further details of the Company's investment policy are set out on pages 10 and 11.

OrbiMed Capital LLC – Portfolio Manager

OrbiMed's investment business was founded in 1989 with a vision to invest across the spectrum of healthcare companies: from venture capital start-ups to large multinational companies.

Beginning with its first public equity fund in 1989, OrbiMed expanded to include long/short equity and private equity investments in 1993. On 19 May 2005 OrbiMed was appointed as Portfolio Manager to the Company. In 2007 OrbiMed expanded to Asia, opening offices in Mumbai and Shanghai, and launching a fund focused on private equity healthcare opportunities in China and India. In 2010 OrbiMed expanded to the Middle East, opening an office in Israel to seek innovative life sciences venture capital opportunities across the region.

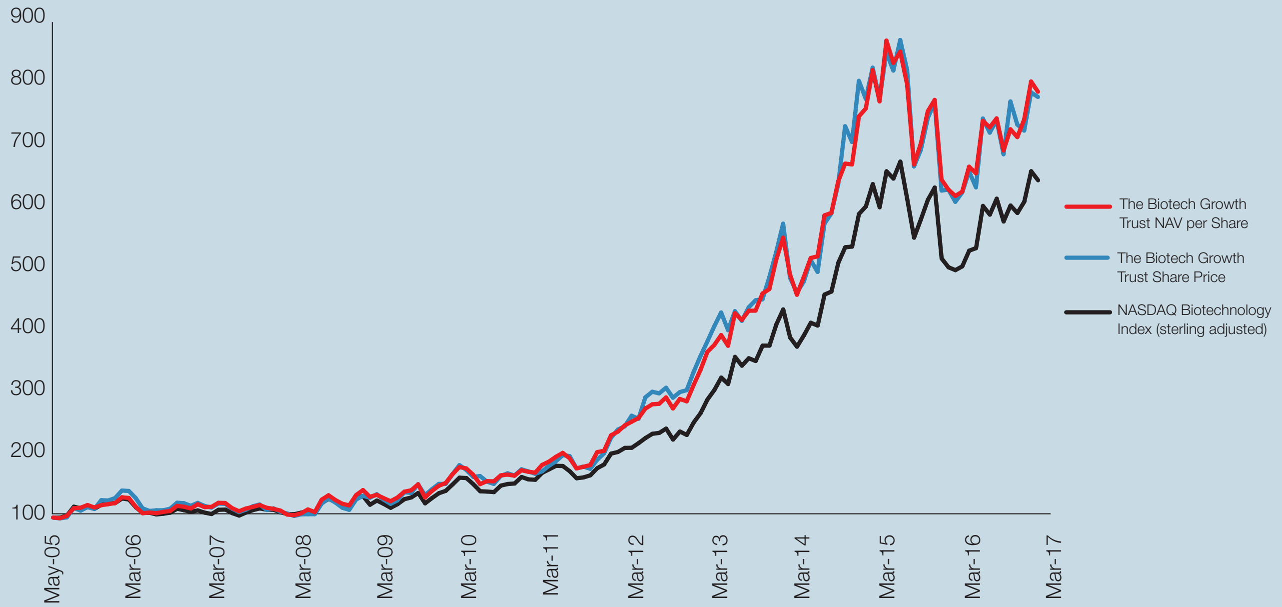
Today, OrbiMed has a singular focus on seeking successful investments on a worldwide basis across the entire spectrum of private and publicly-traded life sciences companies. With approximately U.S. $13 billion under management, OrbiMed ranks as the world's largest healthcare-dedicated investment firm.

OrbiMed's investment professionals possess a combination of extensive scientific, medical, and financial expertise.

How to invest

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including investment dealing accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are number of investment platforms that offer these facilities. Further details can be found on pages 72 and 73.

Performance since the date of appointment of OrbiMed Capital LLC as Portfolio Manager to 31 March 2017



Figures have been rebased to 100 as at 19 May 2005
Source: Morningstar

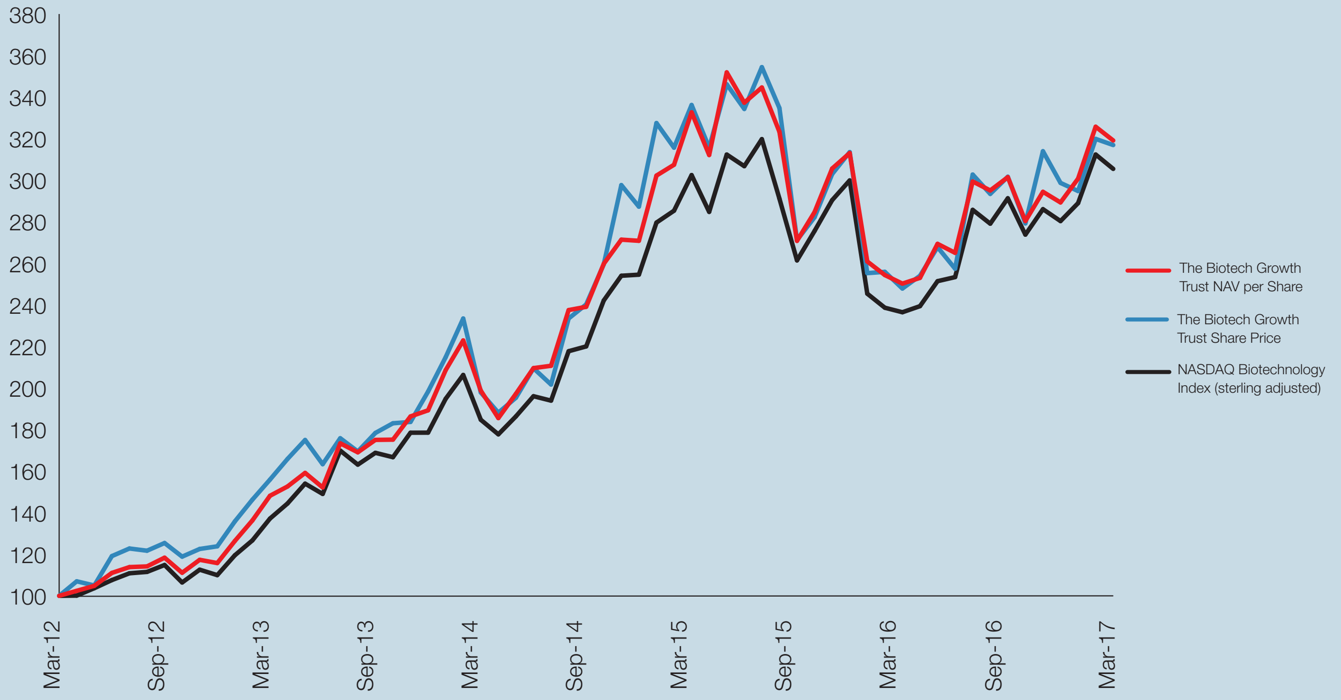
Strategic Report / Company Performance

Historic Performance Record for the years ended 31 March

	2012	2013	2014	2015	2016	2017
Net asset value per share performance	34.9%	48.1%	34.2%	67.4%	(24.8%)	27.5%
Share price performance	42.2%	55.9%	26.9%	69.9%	(26.3%)	27.9%
Benchmark performance	23.6%	37.2%	34.7%	63.7%	(21.8%)	29.2%
Net asset value per share	250.9p	371.7p	498.7p	834.7p	627.9p	800.8p
Share price	236.0p	368.0p	467.0p	793.5p	585.0p	748.0p
Discount of share price to net asset value per share	5.9%	1.0%	6.4%	4.9%	6.8%	6.6%
Ongoing charges*	1.3%	1.3%	1.2%	1.2%	1.0%	1.1%
Gearing*	Nil	Nil	8.3%	9.4%	11.1%	3.2%

*See glossary on page 71.

Five years performance to 31 March 2017



Figures have been rebased to 100 as at 31 March 2012
Source: Morningstar

Strategic Report / Chairman's Statement

Investment performance

Andrew Joy

Your Company produced a good return in absolute terms for the year ended 31 March 2017. The Company's net asset value per share rose by 27.5% during the year, which compares with the Company's benchmark, the NASDAQ Biotechnology Index (sterling adjusted), which rose by 29.2%. As this shows, the biotechnology sector performed well over the year in review, and in line with the broader U.S. stock market. Part of the performance reflects sterling's decline against other major currencies and in particular the U.S. dollar, which is the currency in which almost all the Company's holdings are denominated. Sterling fell 13.0% over the year.

The Company's share price rose by 27.9%, a little more than the net asset value, reflecting a slight narrowing in the discount of the share price to net asset value per share, from 6.8% at the start of the Company's year, to 6.6% at 31 March 2017.

This was a year in which "macro" factors played a more significant part in performance than individual stock selection. The Biotechnology sector experienced considerable volatility during the long-running primary and Presidential campaigns in the U.S., running up to the election in November 2016. Uncertainty persisted over both who might win the election and what policies the winner would adopt. Ultimately, the result was seen as positive for the market and in the case of the biotechnology sector, the rally already in train from the depressed levels in early 2016 was extended.

The other principal "macro" factor affecting performance was the decline in sterling as noted above and in the Company's half year report, following the UK's referendum vote to leave the European Union.

Looking at the contribution to performance from individual stocks, the Company's positive performance during the year was due in part to the holdings in **Incyte, Celgene** and **Biogen**. Negative performance came from holdings in **Impax Laboratories**, **Achillion Pharmaceuticals** and **Shire**. Further information on the Company's investments can be found in the Portfolio Manager's Review beginning on page 7.

I note that the Company underperformed its benchmark slightly despite the high absolute return. This was principally due to individual stock selection over the course of the year.

Over the longer term, the Company's performance continues to remain strong, both on an absolute and relative basis. In the five year period to 31 March 2017, the Company's net asset value per share rose by 219.1% and the share price by 217.0%, both outperforming the Company's benchmark, which rose by 205.5%.

Capital structure

The Board has continued to implement its policy of active discount management and to buy back shares when the discount of the share price against the net asset value per share is greater than 6%. During the year, a total of 4,455,561 shares were repurchased by the Company at an average discount of 7.0% and at a cost of £29.7m (including expenses). Since the year-end, to the date of this report, no further shares have been repurchased by the Company.

Return and dividend

The total return per share amounted to 171.5p for the year (2016: loss of 208.1p), comprising a revenue gain of 1.6p per share (2016: 1.3p) and a capital gain of 169.9p (2016: loss of 209.4p). No dividend is recommended in respect of the year ended 31 March 2017 (2016: nil).

Board composition

The process of refreshment of the Board has continued. As reported at the half year stage, one addition was made during the year with Julia Le Blan joining the Board on 12 July 2016.

Julia is a Chartered Accountant and has worked in the financial services industry for over 30 years. She was formerly a tax partner at Deloitte and sat for two terms on the AIC's Technical Committee. We are pleased to have someone of her calibre and experience join the Board. She will succeed Peter Keen as Chairman of the Audit Committee upon his retirement.

Peter Keen will be retiring from the Board at the conclusion of this year's Annual General Meeting. Peter has been a Director since the launch of the Company in 1997 and Chairman of the Audit Committee since 2005. His extensive knowledge of the biotechnology sector and his wise counsel will be greatly missed.

Strategic Report / Chairman's Statement

As I said in the half-year report in November, I was honoured to succeed the Rt Hon Lord Waldegrave of North Hill as Chairman in July last year. Like Peter Keen, William had been a Director since the early days of the Company and with Peter's retirement in July this year there will now no longer be any of the original Directors on the Board. To William, Peter and all the original Directors, all shareholders owe a great debt of gratitude, not least for having had the wisdom to appoint OrbiMed as the Company's Portfolio Manager. Since that moment 12 years ago, the growth in the Company's net asset value per share has been 704.0%, comfortably ahead of the sterling adjusted NASDAQ Biotechnology Index.

Outlook

Despite continued uncertainty over drug pricing and also ongoing political concerns, our Portfolio Manager believes that the biotechnology sector is well-positioned for outperformance driven principally by merger and acquisition activity, current depressed valuations and sustained innovation. Their focus remains on the selection of stocks with strong prospects for capital enhancement and your Board strongly believes that the long-term investor will be well rewarded.

Annual General Meeting

The Annual General Meeting of the Company this year will be held at the Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday, 12 July 2017 at 12 noon and we hope as many shareholders as possible will attend. This will be an opportunity to meet the Board and to receive a presentation from our Portfolio Manager. Shareholders who are unable to attend are encouraged to return their forms of proxy to ensure their votes are represented.

Andrew Joy
Chairman

25 May 2017

Strategic Report / Investment Portfolio

Investments held as at 31 March 2017

Security	Country /Region	Fair value £'000	% of investments
Celgene	United States	61,217	13.3
Biogen	United States	53,702	11.6
Incyte	United States	42,909	9.3
Alexion Pharmaceuticals	United States	38,734	8.4
Vertex Pharmaceuticals	United States	36,673	8.0
Amgen	United States	23,198	5.0
Illumina	United States	19,064	4.1
DBV Technologies	France	14,446	3.1
Regeneron Pharmaceuticals	United States	11,979	2.6
BioMarin Pharmaceutical	United States	11,941	2.6
Ten largest investments		313,863	68.0
Dermira	United States	11,603	2.5
GW Pharmaceuticals	United Kingdom	10,562	2.3
Aurinia Pharmaceuticals	Canada	10,536	2.3
Shire	Jersey	10,325	2.3
Gilead Sciences	United States	10,264	2.2
Ironwood Pharmaceuticals	United States	9,676	2.1
Actelion	Switzerland	8,398	1.8
Aerie Pharmaceuticals	United States	7,876	1.7
Array BioPharma	United States	7,829	1.7
Jazz Pharmaceuticals	Ireland	6,847	1.5
Twenty largest investments		407,779	88.4
Alkermes	Ireland	6,782	1.5
Tesaro	United States	5,808	1.2
OrbiMed Asia Partners L.P. (unquoted)*	Far East	5,069	1.1
Achillion Pharmaceuticals	United States	4,788	1.0
Minerva Neurosciences	United States	4,562	1.0
Xencor	United States	4,512	1.0
Insys Therapeutics	United States	3,646	0.8
Puma Biotechnology	United States	3,538	0.8
Alnylam Pharmaceuticals	United States	3,368	0.7
Acadia Pharmaceuticals	United States	3,081	0.7
Thirty largest investments		452,933	98.2
BeiGene	Cayman Islands	2,443	0.5
Clearside Biomedical	United States	1,898	0.4
Infinity Pharmaceuticals	United States	1,646	0.4
Fluidigm	United States	1,568	0.3
Sarepta Therapeutics	United States	890	0.2
Total investments		461,378	100.0

All of the above investments are equities unless otherwise stated.

* Partnership interest

Portfolio Breakdown

Investments	Fair value £'000	% of investments
Equities	456,309	98.9
Partnership interest (unquoted)	5,069	1.1
Total investments	461,378	100.0

Strategic Report / Portfolio Manager's Review

Performance review

Sven Borho

The Company's net asset value per share increased 27.5% during the year. This compares to a 29.2% increase in the Company's benchmark, the NASDAQ Biotechnology Index (NBI) (measured on a sterling adjusted basis).

Incyte, Celgene, Biogen, Vertex Pharmaceuticals, and **Amgen** were the leading positive contributors to performance in the portfolio during the year.

- Shares in Incyte appreciated due to the announcement of a strategic collaboration with Merck to advance the combination of epacadostat/pembrolizumab to phase III trials in four new tumour types. Full data from the trial that supported this decision to advance the combination will be presented in June at the American Society of Clinical Oncology meeting.
- Shares in Celgene outperformed due to multiple positive catalysts including strong financial results, the approval of Revlimid in the maintenance setting of multiple myeloma, and positive Phase III data for ozanimod in multiple sclerosis.
- Shares in Vertex Pharmaceuticals appreciated due to the announcement of positive Phase III data of tezacaftor and ivacaftor in cystic fibrosis. Initial data suggests that this combination has a greater tolerance and a slightly better efficacy profile compared to their marketed CF product, Orkambi. Tezacafor/Ivacaftor is also being combined with additional corrector drugs which may provide additional efficacy to patients; preliminary data from the triple-combination regimens are expected later this year.
- Shares in Amgen outperformed due to strong financial results and a favourable court decision regarding its PCSK9 patents litigation against Sanofi/**Regeneron Pharmaceuticals**. The decision is currently being appealed. A final victory later this year could lead to the permanent removal of Sanofi/Regeneron's competing drug from the market.

Impax Laboratories, Achillion Pharmaceuticals, Shire, Ono Pharmaceutical, and **Gilead Sciences** were the principal detractors.

- Shares in Impax Laboratories were weak due to disappointing quarterly financial results and weak guidance.
- Shares in Achillion Pharmaceuticals underperformed due to an adverse safety finding in the phase I study of its complement factor D program. However, the company believes that it can achieve adequate efficacy with a lower dose than previously planned.
- Shares in Shire underperformed due to investor concerns on upcoming competition in the haemophilia market and a slower-than-expected launch of Xiidra, a product for dry eye.
- Shares in Ono Pharmaceutical underperformed due to unexpected negative data from a Phase III study of nivolumab in first-line lung cancer conducted by its U.S. partner Bristol-Myers Squibb and investor concerns regarding a potential government mandated cut in nivolumab's price in Japan.
- Shares in Gilead Sciences were weak due to negative sentiment after hepatitis C sales and guidance missed investor expectations.

Review of sector performance

During the year, the portfolio and the broader biotechnology sector performed strongly, following a prior period of weakness largely caused by concerns over the sustainability of drug pricing in the U.S. These concerns persisted in the first half of the year, fuelled by Hillary Clinton's rhetoric on potential drug price regulation during the U.S. Election. Additionally, as we detailed in the previous report, the negative publicity of controversial pricing practices by some specialty pharmaceutical companies, such as Valeant and Mylan, caused worries among investors that enhanced scrutiny of pricing policies would spill over to the biotechnology sector, creating an overhang. The NBI remained down over 20% (in dollar terms) during the calendar year to early November. However, the unexpected election of Donald Trump as President and the Republican sweep in Congress caused an immediate positive reaction for biotechnology stocks, with the NBI index up 9% on the day following the election. Subsequently, Mr. Trump's public statements on drug pricing took on a more populist tone, including that drug companies "are getting away with murder" and that drug "pricing for the American people will come way down". The sector initially underperformed following these comments, but sentiment has improved as investors have concluded that actual legislation on drug pricing will be hard to enact, and the draft legislation for the repeal and replacement of the Affordable Care Act (ACA, or "Obamacare") did not contain significant proposals that would be considered hostile toward the pharmaceutical and biotechnology industries.

Healthcare reform proving to be more difficult than expected

In the past few years, the biotechnology sector has been a net beneficiary of Obamacare, as coverage expansion has increased drug utilisation. However, structural flaws in Obamacare have become evident, as lower than expected enrolment and a sicker patient pool have caused significant premium increases and large losses for insurance companies. This has prompted questions about the sustainability of the law and what can be done to fix the issues. Throughout the Obama administration, Republicans repeatedly advocated for the repeal of Obamacare. However, internal divisions within the party have delayed the process of repealing and replacing Obamacare. Importantly for biotechnology investors, the legislation ultimately passed in the House of Representatives made no mention of drug pricing reform, and in fact called for the removal of a tax on branded drug makers. At this time, the Senate is crafting its own legislation, and it is not clear how close the Senate version will be to the bill passed in the House. President Trump has suggested that drug pricing would be addressed at a later stage. However, the repeal and replace debate has highlighted the difficulty of passing new healthcare legislation. We believe there is not adequate Republican support in Congress to consider pricing reform, and that President Trump will pivot to other priorities where he may be more successful.

New tax changes could be positive for the biotechnology sector

Mr. Trump has also called for significant tax cuts, particularly for businesses. His initial proposal reduces the corporate tax rate to 15% from 35%, and companies would pay little or no tax to the U.S. on foreign profits. While most biotechnology companies already enjoy lower effective tax rates given the multinational nature of the business and foreign domicile of intellectual property, a lower corporate tax as proposed will still benefit those that face high tax rates, such as Biogen and Regeneron in our portfolio. Tax reform is also expected to allow repatriation of cash that is held overseas at a low tax rate. As a result of current corporate tax laws, U.S. companies with international operations often hold cash overseas to avoid paying the top corporate tax rate of 35% on those foreign earnings. It is estimated that the eight U.S. major pharmaceutical and biotechnology companies collectively held over U.S.$130 billion in cash offshore at the end of 2016. This repatriation could fuel a new wave of merger & acquisition activity as this cash can be used to acquire U.S. emerging biotechnology companies.

The regulatory climate is becoming more favourable for the industry

President Trump has also pledged to streamline the drug approval process so effective drugs can reach patients more quickly. We see the recent appointment of Scott Gottlieb to head the U.S. Food & Drug Administration (FDA) as a positive development in that direction. Dr. Gottlieb has previously been critical of the FDA's "unreasonable hunger for statistical certainty" when reviewing orphan drugs and has advocated for modernising the generic drug framework to accommodate complex drugs, which could increase competition and potentially lower prices of off-patent drugs. We believe Dr. Gottlieb is a highly capable Commissioner who will take a more pragmatic approach to drug approvals. We would also highlight that the FDA continues to make progress expediting "breakthrough medicines" which allows more interaction between the agency and companies to speed the approval of new important medicines. Last year, 46 additional drugs received breakthrough designation, and nine drugs with this designation were approved.

Innovation continues

Drug approvals and pipeline progress will continue to be major themes for investment in the sector. Within the portfolio, there have been a number of promising new drugs recently approved including Biogen's Spinraza for spinal muscular atrophy (SMA) and **BioMarin Pharmaceutical's** Brineura for Batten disease. These new drugs have shown profound benefits in the treatment of serious diseases lacking adequate treatment options. For example, Spinraza, the first-ever treatment for spinal muscular atrophy approved by the FDA, significantly improved the motor function and survival of young children with SMA who would otherwise have experienced rapid disease progression and high mortality. Thus far, the launch has been impressive. BioMarin's Brineura was recently approved for the treatment of Batten disease, a rare neurodegenerative disorder in children. Clinical data shows that Brineura nearly halts the progression of the disease.

Strategic Report / Portfolio Manager's Review

2017 is poised to be a landmark year for biotechnology drug development, as we should see the first U.S. approvals of two new classes of therapy: gene therapy and CAR-T cell therapy. We expect approval of Spark Therapeutics' gene therapy to treat a rare inherited form of blindness. We also expect approval of two CAR-T therapies (T-cells that are genetically modified to fight cancer), from Kite Pharma and Novartis. These new treatment modalities allow drug developers to address targets and diseases that are not easily treatable by more conventional means. We expect considerable advancement of these methods in the coming years as many biotechnology companies apply these technologies to create new therapeutics.

We have previously highlighted the next wave of immuno-oncology (IO) as the development of combination regimens that further stimulate the immune response against cancer. This year, we are pleased to see significant progress in this field, particularly with portfolio company Incyte announcing expanded strategic collaborations with both Merck and Bristol-Myers to develop the combination of epacadostat, Incyte's investigational oral selective IDO1 enzyme inhibitor, with anti-PD1 therapy. These phase III trials will test epacadostat/PD-1 in non-small cell lung cancer, bladder cancer, head and neck cancer and renal cell cancer, in addition to melanoma that has been previously announced. We believe the strategic decisions made by Incyte and partners to move research into this type of therapy forward were based on solid clinical data from the phase II studies, which suggests IDO/PD1 has emerged as a very promising combination with broad activity as a next generation immunotherapy. We look forward to more data from Incyte's epacadostat/PD1 and other IO combos to further establish the future cancer treatment landscape. We continue to believe immuno-oncology combinations will be a major area of investor interest this year.

Sven Borho
OrbiMed Capital LLC, Portfolio Manager

25 May 2017

Principal contributors to and detractors from net asset value performance

Top five contributors	Contribution for year to 31 March 2017 £'000	Contribution per share (pence)*
Incyte	25,959	45.3
Celgene	15,875	27.7
Biogen	15,592	27.2
Vertex Pharmaceuticals	13,837	24.1
Amgen	12,756	22.3
	84,019	**146.6**

Top five detractors		
Impax Laboratories†	(4,943)	(8.6)
Achillion Pharmaceuticals	(4,801)	(8.4)
Shire	(3,447)	(6.0)
Ono Pharmaceutical†	(3,446)	(6.0)
Gilead Sciences	(2,632)	(4.6)
	(19,269)	**(33.6)**

* based on 57,315,305 ordinary shares being the weighted average number of shares in issue for the year ended 31 March 2017

† not held in the portfolio at 31 March 2017

Strategic Report / Business Review

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review.

Structure and objective of the Company

The Biotech Growth Trust PLC is an investment trust and has a premium listing on the London Stock Exchange. Its investment objective is set out below. In seeking to achieve this objective, the Company employs Frostrow Capital LLP (Frostrow) as its Alternative Investment Fund Manager (AIFM), OrbiMed Capital LLC (OrbiMed) as its Portfolio Manager, J.P. Morgan Europe Limited as its Depositary and J.P. Morgan Clearing Corp as its Prime Broker and Custodian. Further details about their appointments can be found in the Report of the Directors on pages 33 and 34. The Board has determined an investment policy and related guidelines and limits, as described below.

The Company is subject to UK and European legislation and regulations including UK company law, International Financial Reporting Standards, the Alternative Investment Fund Managers Directive, the UK Listing, Prospectus, Disclosure Guidance and Transparency Rules, taxation law and the Company's own Articles of Association.

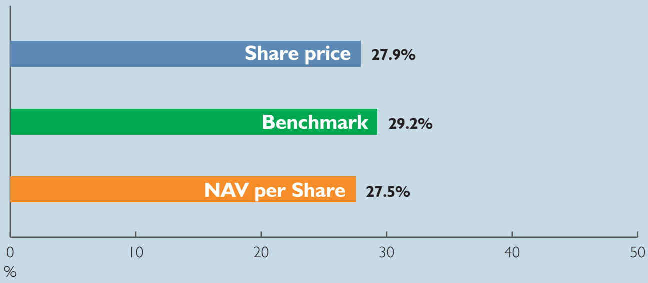
The Company is an investment company within the meaning of Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust (for the purposes of Section 1158 of the Corporation Tax Act 2010). As a result the Company is not liable for taxation on capital gains. The Directors have no reason to believe that approval will not continue to be retained. The Company is not a close company for taxation purposes.

Investment objective and policy

To seek capital appreciation through investment in the worldwide biotechnology industry. In order to achieve its investment objective, the Company invests in a diversified portfolio of shares and related securities in biotechnology companies on a worldwide basis. Performance is measured against the NASDAQ Biotechnology Index (sterling adjusted) (the Benchmark).

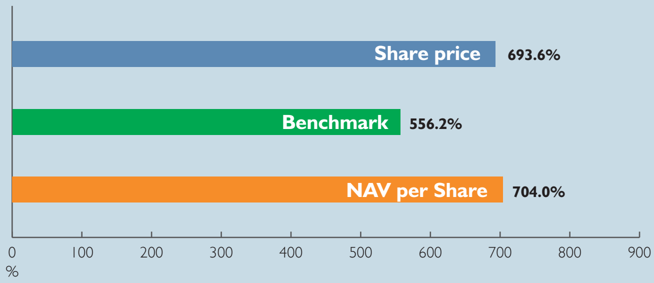
Total Return to 31 March 2017

Year to 31 March 2017



Source: Morningstar

Since the date of Appointment of OrbiMed Capital LLC as Portfolio Manager



Investment strategy

The implementation of the Company's Investment Objective has been delegated to OrbiMed by Frostrow (as AIFM) under the Board's and Frostrow's supervision and guidance.

Details of OrbiMed's investment strategy and approach are set out in the Portfolio Manager's review on pages 7 to 9. While performance is measured against the Company's Benchmark, Frostrow and OrbiMed have been given the ability to manage the portfolio without regard to the Benchmark and its make-up.

While the Board's strategy is to allow flexibility in managing the investments, in order to manage investment risk it has imposed various investment, gearing and derivative guidelines and limits, within which Frostrow and OrbiMed are required to manage the investments, as set out below.

Any material changes to the investment Objective, Policy and Benchmark or the investment and gearing guidelines and limits require approval from shareholders.

Investment limits and guidelines

The Board seeks to manage the Company's risk by imposing various investment limits and restrictions as follows:

- The Company will not invest more than 10%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange, except where the investment companies themselves have stated investment policies to invest no more than 15% of their gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company will not invest more than 15%, in aggregate, of the value of its gross assets in other closed ended investment companies (including investment trusts) listed on the London Stock Exchange.
- The Company will not invest more than 15% of the value of its gross assets in any one individual stock at the time of acquisition.
- The Company will not invest more than 10% of the value of its gross assets in direct unquoted investments at the time of acquisition. This limit does not include any investment in private equity funds managed by the Portfolio Manager or any affiliates of such entity.
- The Company may invest or commit for investment a maximum of U.S.$15 million, after the deduction of proceeds of disposal and other returns of capital, in private equity funds managed by OrbiMed, the Company's Portfolio Manager, or an affiliate thereof.
- The Company's borrowing policy is that borrowing will not exceed 20% of the Company's net assets. The Company's borrowing requirements are met through the utilisation of an overdraft facility, repayable on demand and provided by J.P. Morgan Clearing Corp. This facility can be drawn at the discretion of the AIFM.
- The Company may be unable to invest directly in certain countries. In these circumstances, the Company may gain exposure to companies in such countries by investing indirectly through swaps. Where the Company invests in swaps, exposure to underlying assets will not exceed 5% of the gross assets of the Company at the time of entering into the contract.

In accordance with the requirements of the UK Listing Authority, any material change to the investment policy will only be made with the approval of shareholders by ordinary resolution.

Dividend policy

The Company invests with the objective of achieving capital growth and it is expected that dividends, if any, are likely to be small. The Board intends only to pay dividends on the Company's shares to the extent required in order to maintain the Company's investment trust status.

Continuation of the Company

An opportunity to vote on the continuation of the Company is given to shareholders every five years. The next such continuation vote will be held at the Annual General Meeting in 2020.

Company promotion

The Company has appointed Frostrow to provide marketing and investor relations services, in the belief that a well-marketed investment company is more likely to grow over time, have a more diverse, stable list of shareholders and its shares will trade at close to net asset value per share over the long run. Frostrow actively promotes the Company in the following ways:

Engaging regularly with institutional investors, discretionary wealth managers and a range of execution-only platforms: Frostrow regularly meets with institutional investors, discretionary wealth managers and execution-only platform providers to discuss the Company's strategy and to understand any issues and concerns, covering both investment and corporate governance matters;

Making Company information more accessible: Frostrow works to raise the profile of the Company by targeting key groups within the investment community, holding periodic investment seminars, overseeing PR output and managing the Company's website and wider digital offering, including Portfolio Manager videos and social media;

Disseminating key Company information: Frostrow performs the Investor Relations function on behalf of the Company and manages the investor database. Frostrow produces all key corporate documents, distributes Monthly Fact Sheets, Annual Reports and updates from OrbiMed on the portfolio and market developments; and

Monitoring market activity, acting as a link between the Company, shareholders and other stakeholders: Frostrow maintains regular contact with sector broker analysts and other research and data providers, and conducts periodic investor perception surveys, liaising with the Board to provide up-to-date and accurate information on the latest shareholder and market developments.

Strategic Report / Business Review

Key performance indicators

The Board assesses its performance in meeting the Company's objective against the following Key Performance Indicators ("KPI's"):

Net asset value return

The Directors regard the Company's net asset value total return as being the overall measure of value delivered to shareholders over the long term. Total return reflects the net asset value growth of the Company. OrbiMed's investment style is such that performance is likely to deviate from that of the benchmark index. The Board considers the most important comparator to be the NASDAQ Biotechnology Index (sterling adjusted).

During the year under review the Company's net asset value per share return was +27.5% underperforming the Benchmark by 1.7%.

A full description of performance during the year under review and the investment portfolio is contained in the Portfolio Manager's Review beginning on page 7.

Share price return

The Directors also regard the Company's share price return to be a key indicator of performance. This is monitored closely by the Board.

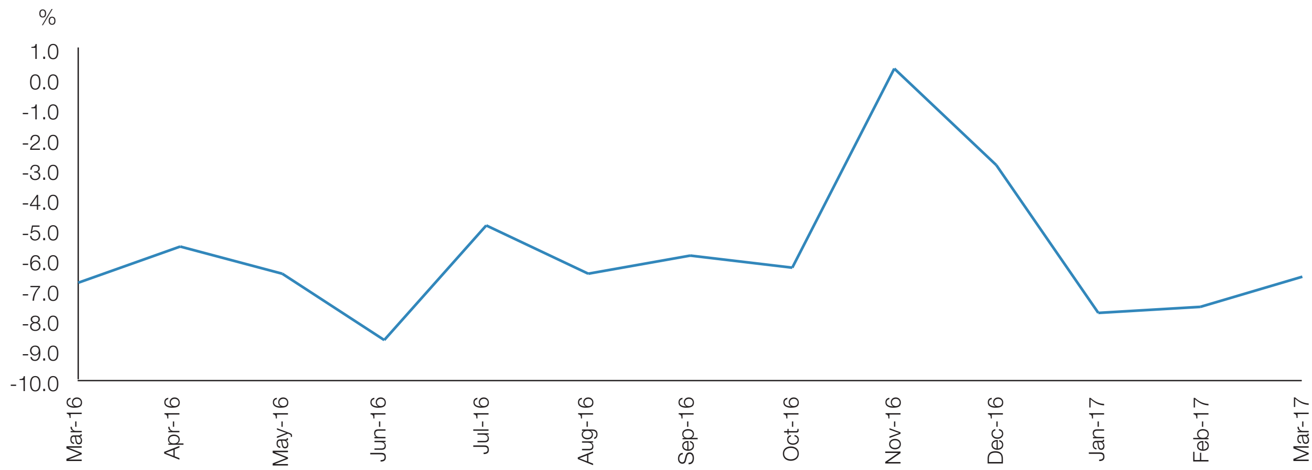
During the year under review the Company's share price return was +27.9%. Please see pages 1 and 3 for further information.

Share price (discount)/premium to net asset value per share

The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and share issuance and buy-backs, where appropriate. The Board has a discount control mechanism in place intended to establish a target level of no more than a 6% discount of share price to the net asset value per share. Shareholders should note, however, that it remains possible for the share price discount to net asset value per share to be greater than 6% on any one day due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The volatility of the net asset value per share in an asset class such as biotechnology is another factor over which the Board has no control. The making and timing of any share buy-backs or share issuance is at the absolute discretion of the Board.

During the year under review a total of 4,455,561 shares were repurchased by the Company for cancellation.

The level of the (discount)/premium of the Company's share price to the net asset value per share – year to 31 March 2017



The discount of the Company's share price to the net asset value per share at 31 March 2017 stood at 6.6% (2016: 6.8%).

Ongoing charges ratio

The Board continues to be conscious of expenses and works hard to maintain a sensible balance between strong service and costs.

As at 31 March 2017 the ongoing charges ratio was 1.1% calculated by taking the operating expenses of the Company divided by the average assets of £419.2m (2016: 1.0% (average assets of £474.6m)).

(See glossary on page 71 for further details).

Board diversity

The Board is supportive of the recommendations of Lord Davies's report that the performance of corporate boards can be improved by encouraging the appointment of the best people from a range of differing perspectives and backgrounds. The Company recognises the benefits of diversity on the Board, including gender, and takes this into account in its Board appointments. The Company is committed to ensuring that any Director search process actively seeks persons with the right qualifications so that appointments can be made, on the basis of merit, against objective criteria from a diverse selection of candidates. To this end the Board will dedicate time to considering diversity during any Director search process and keep in mind that the Davies Review of Women on Boards recommended that UK Listed Companies in the FTSE 100 should be aiming for a minimum of 25% of females on the Board.

	Male	Female
Directors of the Company	5	2

The Company does not have any employees. Therefore there is no employee information to disclose.

Social, economic and environmental matters

The Directors, through the Company's Portfolio Manager, encourage companies in which investments are made to adhere to best practice with regard to corporate governance. In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy.

The Company recognises that social and environmental issues can have an effect on some of its investee companies.

The Company is an investment trust and so its own direct environmental impact is minimal. The Board of Directors consists of seven Directors, six of whom are resident in the UK and one resident in the United States. The Board holds the majority of its regular meetings in the United Kingdom and has a policy that travel, as far as possible, is minimal, thereby minimising the Company's greenhouse gas emissions. Further details concerning greenhouse gas emissions can be found within the Report of the Directors on page 37.

Principal risks

The Directors confirm that they have carried out a thorough assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The risks identified and the ways in which they are managed or mitigated are summarised below.

With the assistance of Frostrow, the Audit Committee has drawn up a risk matrix, which identifies the key risks to the Company. These are reviewed and noted on a regular basis. These key risks fall broadly under the following categories:

Principal Risks and Uncertainties	Management/Mitigation
Objective and strategy The Company becomes unattractive to investors.	The Board reviews regularly the Company's investment objective and investment guidelines in the light of investor sentiment monitoring closely whether the Company should continue in its present form. The Board also considers the size of the Company to ensure that it is at an optimum level. The Board, through the AIFM and the Portfolio Manager, holds regular discussions with major shareholders. Each month the Board receives a report which monitors the investments held in the portfolio compared against the benchmark index and the investment guidelines. Additional reports and presentations are regularly presented to investors by the Company's AIFM and Portfolio Manager.
Volatility and level of discount/premium The risk of the Company's share price not being representative of its underlying net assets.	The Board undertakes a regular review of the level of discount/premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and investor relations services (see page 11) and also share issuance and buy-backs, if considered appropriate. The Board has an active discount management policy in place, buying back the Company's shares for cancellation if the market price is at a discount greater than 6% to the net asset value per share. The making and timing of any share issuance or buy-backs is at the absolute discretion of the Board. Shareholders should note, however, that it remains possible for the share price discount to the net asset value per share to be greater than 6% on any one day. This is due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The volatility of the net asset value per share in an asset class such as healthcare is another factor over which the Board has no control.
Portfolio performance Investment performance may not be meeting shareholder requirements.	The Board reviews regularly investment performance against the benchmark and against the Company's peer group. The Board also receives regular reports that show an analysis of performance compared to other relevant indices. The Portfolio Manager provides an explanation of significant stock selection decisions and an overall rationale for the make-up of the portfolio. The Portfolio Manager discusses current and potential investment holdings with the Board on a regular basis.

Principal Risks and Uncertainties	Management/Mitigation
Investment management key person risk The risk that the individual(s) responsible for managing the Company's portfolio may leave their employment or may be prevented from undertaking their duties.	The Board manage this risk by: • appointing OrbiMed, who operate a team environment such that the loss of any individual should not impact on service levels; • receiving reports from OrbiMed at each Board meeting, such reports include any significant changes in the make-up of the team supporting the Company; • meeting the wider team, outside the designated lead manager, at OrbiMed's offices and encouraging the participation of the wider OrbiMed team in investor updates; and • delegating to the Management Engagement Committee, responsibility to perform an annual review of the service received from OrbiMed, including, *inter alia*, the team supporting the lead manager and succession planning.
Operational and regulatory A breach of Section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains, whilst a serious breach of other regulatory rules (including those associated with the Alternative Investment Fund Managers Directive) may lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, including cyber crime, relating to the AIFM, the Portfolio Manager or any other of the Company's service providers, may result in operational and/or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.	All transactions and income and expenditure forecasts are reviewed by the Board at each Board Meeting. The Board considers regularly all major risks, the measures in place to control them and the possibility of any other risks that could arise. The Board also ensures that satisfactory assurances are received from service providers. The Audit Committee has reviewed the cyber security policies for the Company's principal services providers. The Compliance Officer of the AIFM and of the Portfolio Manager produce regular reports for review at the Company's Audit Committee meetings and are available to attend such meetings in person if required.
Market price risk Uncertainty about future prices of financial instruments held.	The Portfolio Manager has responsibility for selecting investments in accordance with the Company's investment objective and policy and seeks to ensure that investment in individual stocks falls within acceptable risk levels. Compliance with the limits and guidelines contained in the Company's investment policy is monitored daily by Frostrow and OrbiMed and reported to the Board monthly.
Liquidity risk Ability to meet funding requirements when they arise.	The Portfolio Manager has constructed the portfolio so that funds can be raised at short notice if required. Please see page 6 for further information on the make-up of the portfolio.

Principal Risks and Uncertainties	Management/Mitigation
Shareholder profile Activist shareholders whose interests are not consistent with the long-term objectives of the Company may be attracted onto the shareholder register.	The AIFM provides a shareholder analysis at every Board meeting so that the Board can give consideration as to any action required; this is in addition to regular reporting by the Company's broker. The Board has implemented an active discount management policy as mentioned on page 12.
Currency risk Movements in exchange rates could adversely affect the sterling performance of the portfolio.	A significant proportion of the Company's assets is, and will continue to be, invested in securities denominated in foreign currencies, in particular U.S. dollars. As the Company's shares are denominated and traded in sterling, the return to shareholders will be affected by changes in the value of sterling relative to those foreign currencies. The Board has made clear the Company's position with regard to currency fluctuations which is that it does not currently hedge against currency exposure.
Overdraft facility The provider of the Company's overdraft facility may no longer be prepared to lend to the Company.	The Board, the AIFM and the Portfolio Manager are kept fully informed of any likelihood of the withdrawal of the overdraft facility so that repayment can be effected in an orderly fashion. The Company's borrowing requirements are met through the utilisation of an overdraft facility, repayable on demand, provided by J.P. Morgan Clearing Corp.
Credit risk The Company is exposed to credit risk arising from the use of counterparties. If a counterparty were to fail, the Company could be adversely affected through either a delay in settlement or a loss of assets.	The most significant counterparty the Company is exposed to is J.P. Morgan Clearing Corp (the Company's Prime Broker) which is responsible for the safekeeping of the Company's assets and provides the overdraft facility to the Company. As part of the arrangements with J.P. Morgan Clearing Corp they may take assets, up to 140% of the value of the drawn overdraft, as collateral. Such assets taken as collateral by J.P. Morgan Clearing Corp may be used, loaned, sold, rehypothecated or transferred. J.P. Morgan Clearing Corp is a registered broker-dealer and is accordingly subject to limits on rehypothecation, in particular limitations set out in U.S. Securities and Exchange Commission (SEC) Rule 15c3-3. In the event of J.P. Morgan Clearing Corp's insolvency, the Company may be unable to recover in full assets held by the J.P. Morgan Clearing Corp as Custodian. See pages 33 and 34 for further information. The risk is managed through the selection of a financially strong counterparty, through limitations on the use of gearing and through reliance on a robust regulatory regime (SEC). Furthermore, the external Auditor verifies the safekeeping of the assets or their equivalent by confirmation from the Depositary/Prime Broker. Further information on financial instruments and risk, as required by IFRS 7, can be found in note 13 to the financial statements beginning on page 63.

Strategic Report / Business Review

Long term viability

The Board has carried out a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. The Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate these risks as far as practicable. The principal risks which have been identified, and the steps taken by the Board to mitigate these as far as possible, are shown on pages 14 to 16.

Previously, the Board considered it appropriate to assess the Company's viability over rolling three-year time horizons. However, the Board now believes it to be more appropriate to make this assessment over a five-year period. This basis is deemed more appropriate due to our Portfolio Manager's long-term investment horizon and also what we believe to be investors' horizons, taking account of the Company's current position and the potential impact of the principal risks and uncertainties.

The Directors also took into account the liquidity of the portfolio when considering the viability of the Company over a five-year period and its ability to meet liabilities as they fall due. In addition, the Board has noted that an opportunity to vote on the continuation of the Company is given to shareholders every five years. The next such continuation vote will be held at the Annual General Meeting in 2020.

The Directors do not expect there to be any significant change in the principal risks that have been identified and the adequacy of the mitigating controls in place. Also the Directors do not envisage any change in strategy or objectives or any events that would prevent the Company from continuing to operate over that period as the Company's assets are liquid, its commitments are limited and the Company intends to continue to operate as an investment trust. The Directors believe that only a substantial financial crisis affecting the global economy and causing substantial falls in share prices could have an impact on this assessment.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five-year period.

Looking to the future

The Board concentrates its attention on the Company's investment performance and OrbiMed's investment approach and on factors that may have an effect on this approach. Marketing reports are given to the Board at each Board meeting by the AIFM which include how the Company will be promoted and details of planned communications with existing and potential shareholders. The Board is regularly updated by the AIFM on wider investment trust industry issues and discussions are held at each Board meeting concerning the Company's future development and strategy.

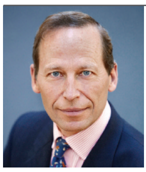
A review of the Company's year, its performance since the year-end and the outlook for the Company can be found in the Chairman's Statement on pages 4 and 5 and in the Portfolio Manager's Review on pages 7 to 9.

By order of the Board

Frostrow Capital LLP
Company Secretary

25 May 2017

Governance / Board of Directors



Andrew Joy (Chairman of the Board and also Chairman of the Nominations Committee)

A Director since 2012
Seeks annual re-election by shareholders

Andrew was one of the founding Partners of Cinven, a leading private equity firm investing in Europe and the U.S. He is a Senior Advisor of Stonehage Fleming Group and Chairman of the investment committee of FPE Capital. He has been Chairman or Director of numerous growing companies over the past 30 years. He is a former Chairman of the BVCA (British Venture Capital and Private Equity Association) and Director of the EVCA.

Shareholding in the Company: 55,000

Sven Borho

A Director since 2006
Seeks annual re-election by shareholders

Sven is a founding Partner of OrbiMed, the Company's Portfolio Manager. He is a senior member of the public equity team and is a portfolio manager for OrbiMed's public equity and hedge funds. Sven has played an integral role in the growth of OrbiMed's asset management activities. He started his career in 1991 when he joined OrbiMed's predecessor firm as a Senior Analyst covering European pharmaceutical firms and biotechnology companies worldwide. He studied business administration at Bayreuth University in Germany and received a M.Sc. (Econs.), Accounting and Finance, from The London School of Economics.

Shareholding in the Company: 236,218

Peter Keen (Chairman of the Audit Committee)

A Director since 1997
Seeks annual re-election by shareholders

A Chartered Accountant, Peter has over 30 years' experience in the management and financing of life science businesses and has served on the boards of many private and public companies. Peter is a Director of MRC Technology Ltd and Endomagnetics Limited and was previously Chief Executive of the technology investment firm Cambridge Innovation Capital plc. For nine years he was the Senior Independent Director of Abcam plc and was a co-founder of Chiroscience Group plc.

Shareholding in the Company: 55,000

Steven Bates (Chairman of the Management Engagement Committee)

A Director since 2015
Seeks annual re-election by shareholders

Steven is chairman of F&C Capital and Income Investment Trust plc, Baring Emerging Europe plc and the Vinacapital Vietnam Opportunity Fund Limited. He is a non-executive director of British Empire Trust plc and is also a director of Guard Cap Asset Management Limited. He sits on, or is advisor to, various committees in the wealth management and pension fund areas. He was head of global emerging markets at J.P. Morgan Asset Management until 2002.

Shareholding in the Company: Nil

Professor Dame Kay Davies, CBE (Chairman of the Remuneration Committee and Senior Independent Director)

A Director since 2012
Seeks annual re-election by shareholders

Professor Dame Kay Davies is the Dr. Lee's Professor of Anatomy and Associate Head of the Medical Sciences Division at the University of Oxford and a fellow of Hertford College. She is also Co-Director of the Oxford Neuromuscular Centre, an Independent Director of UCB Pharma S.A, Deputy Chairman of the Wellcome Trust and a member of the Scientific Advisory Board of biopharmaceutical company UCB Pharma S.A. As part of her role as Deputy Chairman of the Wellcome Trust she serves on the GRL Board (Sanger Institute) and the Genome England Board (NHS).

Shareholding in the Company: 3,500

Governance / Board of Directors

The Rt Hon Lord Willetts

A Director since 2015
Seeks annual re-election by shareholders

Lord Willetts is Executive Chairman of the Resolution Foundation and a Visiting Professor at King's College London. He is also a Governor of the Ditchley Foundation, a member of the Council of the Institute for Fiscal Studies and a Board member of the Francis Crick Institute and of the Biotech Industry Association.

He was Minister for Universities and Science, attending Cabinet, from 2010-2014. He was the Member of Parliament for Havant from 1992-2015. Before that, Lord Willetts worked at HM Treasury and the Number 10 Policy Unit. He also served as Paymaster General in the last Conservative Government.

Shareholding in the Company: Nil

Julia Le Blan

A Director since July 2016
Seeks annual re-election by shareholders

A Chartered Accountant Julia has worked in the financial services industry for over 30 years. She was formerly a tax partner at Deloitte and sat for two terms on the AIC's technical committee.

She is a non-executive Director of F&C UK High Income Trust plc, Impax Environmental Markets plc, J.P. Morgan US Smaller Companies Investment Trust plc and Aberforth Smaller Companies Trust plc.

Shareholding in the Company: 4,000

Meeting attendance

The table below sets out the number of scheduled Board and Committee meetings held during the year ended 31 March 2017 and the number of meetings attended by each Director.

	Management Engagement Committee*	Board	Audit and Management Engagement Committee	Nominations Committee	Remuneration Committee
Number of meetings held in 2016/17:	1	4	2	1	1
The Rt Hon Lord Waldegrave of North Hill†	–	2	1	–	–
Steven Bates	1	4	2	1	1
Sven Borho^	–	4	–	–	–
Professor Dame Kay Davies, CBE	1	4	2	1	1
Andrew Joy	1	4	2	1	1
Peter Keen	1	4	2	1	1
Julia Le Blan**	1	3	1	1	1
The Rt Hon Lord Willetts	1	4	2	1	1

All of the serving Directors attended the Annual General Meeting held on 12 July 2016.

* At a Board meeting held in November 2016 it was agreed to split the 'audit' and 'management engagement' functions of the Audit and Management Engagement Committee and to create two new committees to be responsible for these areas. The newly constituted Audit Committee did not meet during the year. However, the Audit and Management Engagement Committee met twice.
† Retired on 12 July 2016.
^ Sven Borho is not a member of any of the Company's committees.
** Appointed on 12 July 2016.

Governance / Corporate Governance

The Board and Committees

Responsibility for effective governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company it has no employees. Portfolio management is delegated to OrbiMed and risk management, company management, company secretarial, administrative and marketing services are delegated to Frostrow. During the year, in order to strengthen its governance structure, the Board agreed to split the 'audit' and 'management engagement' functions of the Audit and Management Engagement Committee and to create two new committees (an Audit Committee and a Management Engagement Committee) to be responsible for these areas. This structure is reflected in the diagram below.

The Board

Chairman – Andrew Joy

Senior Independent Director – Professor Dame Kay Davies

Five additional non-executive Directors, all considered independent, except for Sven Borho, as noted on page 22.

Key responsibilities:

– to provide leadership and set strategy, values and standards within a framework of prudent effective controls which enable risk to be assessed and managed;

– to ensure that a robust corporate governance framework is implemented; and

– to challenge constructively and scrutinise performance of all outsourced activities.

Remuneration Committee

Chairman
Professor Dame Kay Davies

All Independent Directors

Key responsibilities:

– to set the remuneration policy of the Company.

Audit Committee

Chairman
Peter Keen*

All Independent Directors

Key responsibilities:

– to review the Company's financial reports;

– to oversee the risk and control environment and financial reporting; and

– to review the performance of the Company's external Auditor.

Nominations Committee

Chairman
Andrew Joy

All Independent Directors

Key responsibilities:

– to review regularly the Board's structure and composition; and

– to make recommendations for any changes or new appointments.

Management Engagement Committee

Chairman
Steven Bates

All Independent Directors

Key responsibilities:

– to review regularly the contracts, the performance and remuneration of the Company's principal service providers.

*The Directors believe that Peter Keen has the necessary recent and relevant financial experience to Chair the Company's Audit Committee.

Copies of the full terms of reference, which clearly define the responsibilities of each Committee, can be obtained from the Company Secretary, will be available for inspection at the Annual General Meeting, and can be found on the Company's website at www.biotechgt.com

Corporate Governance

The Directors are accountable to shareholders for the governance of the Company's affairs. The UK Listing Rules require all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the 'UK Code') issued by the Financial Reporting Council (the 'FRC'). The UK Code can be viewed at www.frc.org.uk.

The Association of Investment Companies ('AIC') publishes a Code of Corporate Governance ('AIC Code') and a Corporate Governance Guide for Investment Companies ('AIC Guide'). In July 2016 the AIC published a revised AIC Code and AIC Guide.

The Financial Reporting Council has confirmed that by following the AIC Code and the AIC Guide, boards of investment companies will meet their obligations in relation to the UK Code and paragraph 9.8.6 of the UK Listing Rules.

The AIC Code and AIC Guide address the principles set out in the UK Code as well as additional principles and recommendations on issues that are specific to investment trusts. The AIC Code can be viewed at www.theaic.co.uk.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders.

Statement of Compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as follows:

The UK Code includes certain provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Therefore with the exception of the need for an internal audit function which is addressed further on page 39, the Company has not reported further in respect of these provisions.

The principles of the AIC Code

The AIC Code is made up of 21 principles split into three sections covering:

- The Board
- Board Meetings and relations with AIFM and Portfolio Manager
- Shareholder Communications

AIC Code Principle	Compliance Statement
The Board	
1. The Chairman should be independent.	The Chairman, Andrew Joy is responsible for the leadership of the Board and for ensuring its effectiveness. The Chairman continues to be independent of the AIFM and the Portfolio Manager. There is a clear division of responsibility between the Chairman, the Directors, the AIFM, the Portfolio Manager and the Company's other third party service providers. The Chairman is responsible for the leadership of the Board and for ensuring its effectiveness in all aspects of its role. There are no relationships that may create a conflict of interest between the Chairman's interests and those of shareholders.

Governance / Corporate Governance

AIC Code Principle	Compliance Statement
2. A majority of the Board should be independent of the Manager.	Sven Borho is a Founding General Partner of OrbiMed, the Company's Portfolio Manager and has served on the Board for more than nine years from the date of his first election. He is not considered to be an Independent Director. Mr Borho submits himself for annual re-election by shareholders. The Board consists of six other non-executive Directors, each of whom is independent of the AIFM and the Portfolio Manager. None of the Board members is or has been an employee of the Company.
3. Directors should be submitted for re-election at regular intervals. Nomination for re-election should not be assumed but be based on disclosed procedures and continued satisfactory performance.	All Directors (who are not retiring from the Board) submit themselves for annual re-election by shareholders. The individual performance of each Director standing for re-election is evaluated annually by the remaining members of the Board and, if considered appropriate, a recommendation is made that shareholders vote in favour of their re-election at the Company's Annual General Meeting to be held in July 2017. Peter Keen will be retiring from the Board and will therefore not be seeking re-election at this year's Annual General Meeting. Julia Le Blan joined the Board on 12 July 2016. Accordingly, her appointment will be proposed to shareholders for ratification at the Annual General Meeting to be held in July 2017.
4. The Board should have a policy on tenure, which is disclosed in the annual report.	The Nominations Committee, considers the structure of the Board and recognises the need for progressive refreshing of its members. The Board subscribes to the view expressed within the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of those Directors is independent in character and judgment and that there are no relationships or circumstances which are likely to affect their judgment. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. In view of its non-executive nature, the Board considers that it is not appropriate for the Directors to be appointed for a specified term, although new Directors are appointed with the expectation that they will serve for a minimum period of three years subject to shareholder approval. The AIC Code states that any Director who has served for more than nine years is subject to annual re-appointment. All of the Company's Directors (who are not retiring from the Board) seek re-appointment at each Annual General Meeting. The terms and conditions of the Directors' appointments are set out in letters of engagement which are available for inspection on request at the office of Frostrow, the Company's AIFM and from the Company Secretary at the Company's Annual General Meeting to be held in July 2017.

AIC Code Principle	Compliance Statement
5. There should be full disclosure of information about the Board.	The Directors' biographical details, set out on pages 18 and 19 demonstrate the wide range of skills and experience that they bring to the Board together with details of their other directorships and employment. Further details of Board composition and succession planning can be found within the Chairman's Statement set out on pages 4 and 5. Details of the Board's committees and their composition are set out on page 20.
6. The Board should aim to have a balance of skills, experience, length of service and knowledge of the company.	The Nominations Committee considers annually the skills possessed by the Board and identifies any skill shortages to be filled by new Directors. When considering new appointments, the Board reviews the skills of the Directors and seeks to add persons with complementary skills or who possess the skills and experience which fill any gaps in the Board's knowledge or experience and who can devote sufficient time to the Company to carry out their duties effectively. The experience of the current Directors is detailed in their biographies set out on pages 18 and 19. The Company is committed to ensuring that any vacancies arising are filled by the most qualified candidates and recognises the value of diversity in the composition of the Board. When Board positions become available as a result of retirement or resignation, the Company will ensure that a diverse group of candidates is considered.
7. The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	During the year the performance of the Board, its committees and individual Directors (including each Director's independence) was evaluated through a formal assessment process led by the Senior Independent Director. This involved the circulation of a Board effectiveness checklist, tailored to suit the nature of the Company, followed by discussions between the Senior Independent Director and each of the Directors where necessary. The performance of the Chairman was evaluated by the other Directors under the leadership of the Senior Independent Director. The review concluded that the Board was working well. The Board is satisfied that the structure of skills, mix, experience, independence, knowledge, diversity and operation of the Board continue to be effective and relevant for the Company.

AIC Code Principle	Compliance Statement
8. Directors' remuneration should reflect their duties, responsibilities and the value of their time spent.	The Remuneration Committee annually reviews the fees paid to the Directors and compares these with the fees paid by the Company's peer group and the investment trust industry generally, taking into account the level of commitment and responsibility of each Board member. Details on the remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Policy Report and Directors' Remuneration Report on pages 42 to 45. As all of the Directors are non-executive, the Board considers that it is acceptable for the Senior Independent Director of the Company to chair meetings when discussing Directors' fees. The Senior Independent Director takes no part in discussions regarding her own remuneration.
9. The independent directors should take the lead in the appointment of new directors and the process should be disclosed in the annual report.	The Nominations Committee is comprised of all Directors who are independent and chaired by the Chairman of the Board. Subject to there being no conflicts of interest, all members of the Committee are entitled to vote on candidates for the appointment of new Directors and on recommending for shareholders' approval the Directors seeking re-election at the Annual General Meeting. The Chairman does not Chair the meeting when the Committee is dealing with matters concerning the appointment of a successor to the Chairmanship. Details of the Board's commitment to diversity is set out within the Business Review on page 13. As part of the process to appoint Julia Le Blan, the Board engaged the services of a specialist recruitment consultant, Nurole. Nurole prepared a list of potential candidates for consideration by a sub-committee appointed by the Nominations Committee. A short list was then arrived at, the candidates were interviewed and Julia Le Blan was subsequently appointed. Nurole has no other connection with the Company.
10. Directors should be offered relevant training and induction.	New appointees to the Board are provided with a full induction programme. The programme covers the Company's investment strategy, policies and practices. The Directors are also given key information on the Company's regulatory and statutory requirements as they arise including information on the role of the Board, matters reserved for its decision, the terms of reference for the Board Committees, the Company's corporate governance practices and procedures and the latest financial information. It is the Chairman's responsibility to ensure that the Directors have sufficient knowledge to fulfil their role and Directors are encouraged to participate in training courses where appropriate. The Directors have access to the advice and services of a Company Secretary through its appointed representative which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is also responsible for ensuring good information flows between all parties.

AIC Code Principle	Compliance Statement
11. The Chairman (and the Board) should be brought into the process of structuring a new launch at an early stage.	Principle 11 applies to the launch of new investment companies and is therefore not applicable to the Company.

Board Meetings and relations with Frostrow and OrbiMed

AIC Code Principle	Compliance Statement
12. Boards and managers should operate in a supportive, co-operative and open environment.	The Board meets regularly throughout the year and a representative of the AIFM and Portfolio Manager is in attendance at each meeting and Committee meetings. The Chairman encourages open debate to foster a supportive and co-operative approach for all participants.
13. The primary focus at regular Board meetings should be a review of investment performance and associated matters, such as gearing, asset allocation, marketing/investor relations, peer group information and industry issues.	The Board has agreed a schedule of matters specifically reserved for decision by the Board. This includes establishing the investment objectives, strategy and benchmarks, the level of borrowing, the permitted types or categories of investments, the markets in which transactions may be undertaken, the amount or proportion of the assets that may be invested in any category of investment or in any one investment, and the Company's share issuance, share buy-back and treasury share policies. The Board, at its regular meetings, undertakes reviews of key investment and financial data, revenue projections and expenses, analysis of asset allocation, transactions and performance comparisons, share price and net asset value performance, marketing and shareholder communication strategies, the risks associated with pursuing the investment strategy, peer group information and industry issues. The Chairman is responsible for ensuring that the Board receive accurate, timely and clear information. Where appropriate representatives of the AIFM report on issues affecting the company. All Directors have access to independent professional advice where they judge it necessary to discharge their responsibility properly. The Audit Committee reviews the Company's risk matrix and the performance and cost of the Company's third party service providers.
14. Boards should give sufficient attention to overall strategy.	The Board is responsible for strategy and has established an annual programme of agenda items under which it reviews the objectives and strategy for the Company at each meeting.

AIC Code Principle	Compliance Statement
15. The Board should regularly review both the performance of, and contractual arrangements with, the AIFM and the Portfolio Manager (or executives of a self-managed company).	The Management Engagement Committee reviews annually the performance of the AIFM and Portfolio Manager. The Committee considers the quality, cost and remuneration method (including the performance fee) of the service provided by the AIFM and the Portfolio Manager against their contractual obligations and the Board receives monthly reports on compliance with the investment restrictions which it has set. It also considers the performance analysis provided by the AIFM and the Portfolio Manager. The Management Engagement Committee reviews the compliance and control systems of both the AIFM and the Portfolio Manager in operation insofar as they relate to the affairs of the Company and the Board undertakes periodic reviews of the arrangements with and the services provided by the Depositary, to ensure that the safeguarding of the Company's assets and security of the shareholders' investment is being maintained. Further details concerning the monitoring of the Company's internal controls and risk management can be found on pages 14 to 16 and 40 and 41. All Directors act in what they consider to be in the best interests of the Company, consistent with their statutory duties set out in the Companies Act 2006.
16. The Board should agree policies with the AIFM and the Portfolio Manager covering key operational issues.	The Portfolio Management Agreement between the Company, the AIFM and Portfolio Manager sets out the limits of Portfolio Manager's authority, beyond which Board approval is required. The Board has also agreed detailed investment guidelines with the AIFM and the Portfolio Manager, which are considered at each Board meeting. A representative of the AIFM and Portfolio Manager attends each meeting of the Board to address questions on specific matters and to seek approval for specific transactions which the Portfolio Manager is required to refer to the Board. Frostrow in their capacity as the Company's AIFM have delegated the management of the portfolio and subsequent proxy voting to OrbiMed as Portfolio Manager, who retain the services of Broadridge and Glass Lewis to undertake operational and administrative duties relating to proxy voting. The Portfolio Manager notifies the Board of any contentious issues that require voting upon. The Board has reviewed the Portfolio Manager's Proxy Voting & Class Action Policy. Reports on commissions paid by the Portfolio Manager are submitted to the Board regularly.

AIC Code Principle	Compliance Statement
17. Boards should monitor the level of the share price discount or premium (if any) and, if desirable, take action to reduce it.	The Board considers any imbalances in the supply of and the demand for the Company's shares in the market and takes appropriate action when considered necessary. The Board considers the discount or premium to net asset value of the Company's share price at each Board meeting and reviews the changes in the level of discount or premium and in the share price since the previous Board meeting and over the previous twelve months. At each meeting the Board reviews reports from the AIFM on marketing and shareholder communication strategies. It also considers their effectiveness as well as measures of investor sentiment and any recommendations on share issuance and share buy-backs. The Board does not consider that any conflicts arose from the AIFM and Portfolio Manager promoting the Company alongside their other clients.
18. The Board should monitor and evaluate other service providers.	The Management Engagement Committee reviews, at least annually, the performance of all the Company's third party service providers, including the level and structure of fees payable and the length of the notice period, to ensure that they remain competitive and in the best interests of shareholders. The Committee also reviews reports from the principal service providers on compliance and the internal and financial control systems in operation and relevant independent audit reports thereon, as well as reviewing service providers' anti-bribery and corruption policies to address the provisions of the Bribery Act 2010. The Board is satisfied that the Company's Auditor does not carry out any work for the AIFM and therefore no potential conflict will arise.

AIC Code Principle	Compliance Statement
Shareholder Communications	
19. The Board should regularly monitor the shareholder profile of the company and put in place a system for canvassing shareholder views and for communicating the Board's views to shareholders.	A detailed analysis of the substantial shareholders in the Company is provided to the Directors at each Board meeting. Representatives of the AIFM and the Portfolio Manager regularly meet with institutional shareholders and private client asset managers to discuss strategy and to understand their issues and concerns and, if applicable, to discuss corporate governance issues. The results of such meetings are reported at the following Board meeting. Regular reports from the Company's broker are submitted to the Board on investor sentiment and industry issues. Shareholders wishing to communicate with the Chairman, the Senior Independent Director or any other member of the Board, may do so by writing to the Company, for the attention of the Company Secretary at the offices of the AIFM. All shareholders are encouraged to attend the Annual General Meeting, where they are given the opportunity to question the Chairman, the Board and representatives of the Portfolio Manager. The Portfolio Manager will make a presentation to shareholders covering the investment performance and strategy of the Company at the forthcoming Annual General Meeting to be held in July 2017. The Directors welcome the views of all shareholders and place considerable importance on communications with them. The Chairman will ensure that all members of the Board are made aware of the issues and concerns raised by shareholders and that the appropriate steps are taken so that the Board has an adequate understanding of these views, through communication with the Company's AIFM (e-mail address: info@frostrow.com) and advisers.
20. The Board should normally take responsibility for, and have a direct involvement in, the content of communications regarding major corporate issues even if the manager is asked to act as spokesman.	All substantive communications regarding any major corporate issues are discussed by the Board taking into account representations from the AIFM, the Portfolio Manager, the Auditor, legal advisers and broker.

AIC Code Principle	Compliance Statement
21. The Board should ensure that shareholders are provided with sufficient information for them to understand the risk/reward balance to which they are exposed by holding the shares.	The Company places great importance on communication with shareholders and aims to provide them with a full understanding of the Company's investment objective, policy and activities, its performance and the principal investment risks by means of informative annual and half-year reports. This is supplemented by the daily publication, through the London Stock Exchange, of the net asset value per share of the Company's shares. The Board is responsible for the overall management of the Company, approval of the Company's long-term objectives and commercial strategy and the review of the Company's Investment Policy. The Board continues to review the setting of maximum borrowing limits under which the AIFM and Portfolio Manager operates within. The Annual Report provides information on Portfolio Manager's investment performance, portfolio risk and operational and compliance issues. Further details on the risk/reward balance are set out in note 13 to the Financial Statements. The Investment Portfolio is listed on page 6. The Company's website, www.biotechgt.com, is regularly updated with monthly fact sheets and provides useful information about the Company including the Company's financial reports and announcements.

The Board has considered the position of all of the Directors as part of the evaluation process, and believes that it would be in the Company's best interests to propose them, with the exception of Peter Keen who will be retiring from the Board at the conclusion of the forthcoming Annual General Meeting, for election or re-election at the forthcoming Annual General Meeting for the following reasons:

Mr Andrew Joy, has been a Director since March 2012 and Chairman since July 2016. He has extensive knowledge of the financial sector and was one of the founding Partners of Cinven, a leading private equity firm investing in Europe and the U.S. He has been Chairman or Director of numerous growing companies over the past 30 years.

Professor Dame Kay Davies, CBE, who has been a Director since March 2012. She is the Senior Independent Director and Chairman of the Remuneration Committee, has extensive knowledge of the biopharmaceutical sector and is the Dr Lee's Professor of Anatomy and Associate Head of the Medical Science Division at the University of Oxford.

Julia Le Blan joined the Board in July 2016. A Chartered Accountant and a former tax partner at Deloitte, she has a wealth of financial services industry experience. Julia will succeed Peter Keen as Chairman of the Audit Committee upon his retirement from the Board.

Mr Sven Borho, who has been a Director since March 2006 is one of the founding partners of OrbiMed the Company's Portfolio Manager. He heads public equity and hedge funds and has played an integral role in the growth of OrbiMed's asset management activities.

Mr Steven Bates joined the Board in July 2015. He has a wealth of experience as an investment manager. He is Chairman of the Management Engagement Committee.

The Rt Hon Lord Willetts joined the Board in November 2015. A former government minister, he has extensive and relevant experience and a strong interest in the biotechnology sector.

The Chairman is pleased to report that following a formal performance evaluation, the Directors' performance continues to be effective and they continue to demonstrate commitment to the role.

The Board's responsibilities

The Board meets regularly and four Board meetings were held during the year to deal with the stewardship of the Company and other matters. There is a formal schedule of matters specifically reserved for decision by the Board; it is responsible for all aspects of the Company's affairs, including the setting of parameters for and the monitoring of the investment strategy and the review of investment performance and investment policy which is set out on pages 10 and 11. It also has responsibility for all corporate strategy issues, dividend policy, share buy-back and issuance policy, borrowing, share price and discount/premium monitoring and corporate governance matters.

Conflicts of interest

Directors have a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests (a "situational conflict").

It is the responsibility of each individual Director to avoid an unauthorised conflict situation arising. He or she must request authorisation from the Board as soon as he or she becomes aware of the possibility of a situational conflict arising.

The Board is responsible for considering Directors' requests for authorisation of situational conflicts and for deciding whether they should be authorised. The factors to be considered will include whether the situational conflict could prevent the Director from performing his or her duties, whether it has, or could have, any impact on the Company and whether it could be regarded as likely to affect the judgment and/or actions of the Director in question. When the Board is deciding whether to authorise a conflict or potential conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed at each Board meeting, to ensure that any authorised conflicts remain appropriate. Directors are required to confirm at these meetings whether there has been any change to their position.

The Directors must also comply with the statutory rules requiring company directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

Anti-Bribery and corruption policy

The Board has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

A copy of the Company's anti-bribery and corruption policy can be found on its website at www.biotechgt.com. The policy is reviewed regularly by the Audit Committee.

Relationship with shareholders

The Board, the AIFM and the Portfolio Manager consider maintaining good communications with shareholders and engaging with larger shareholders through meetings and presentations a key priority. Shareholders are being informed by the publication of annual and half year reports which include financial statements. These reports are supplemented by the daily release of the net asset value per share to the London Stock Exchange and the publication of monthly fact sheets. All this information including interviews with the Portfolio Manager is available on the Company's website at www.biotechgt.com.

The Board is also keen that the Annual General Meeting ("AGM") be a participative event for all shareholders. The Portfolio Manager makes a presentation and shareholders are encouraged to attend. The Chairmen of the Board and of the Committees attend the AGM and are available to respond to queries and concerns from shareholders. Twenty working days notice of the AGM has been given to shareholders and separate resolutions are proposed in relation to each substantive issue. Shareholders may submit questions for the AGM in advance of the meeting or make general enquiries of the Company via the Company Secretary at the registered office of the Company. The Directors make themselves available after the AGM to meet shareholders.

Where the vote is decided on a show of hands, the proxy votes received are relayed to the meeting and subsequently published on the Company's website. Proxy forms have a 'vote withheld' option. The Notice of Meeting sets out the business of the AGM together with the full text of any special resolutions and begins on page 74.

The Board monitors the share register of the Company; it also reviews correspondence from shareholders at each meeting and maintains regular contact with major shareholders. Shareholders who wish to raise matters with a Director may do so by writing to them at the registered office of the Company.

Exercise of voting powers

The Board has delegated authority to the Portfolio Manager to vote the shares owned by the Company. The Board has instructed that the Portfolio Manager submit votes for such shares wherever possible. (See AIC Code Principle 21 on page 29 for further details). This accords with current best practice whilst maintaining a primary focus on financial returns. The Portfolio Manager may refer to the Board on any matters of a contentious nature. The Company does not retain voting rights on any shares that are subject to rehypothecation in connection with the overdraft facility provided by J.P. Morgan Clearing Corp.

Nominee share code

Where shares are held in a nominee company name and where the beneficial owner of the shares is unable to vote in person, the Company nevertheless undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Beneficial owners of shares – information rights

Beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's registrar, Capita Asset Services, or to the Company directly.

By order of the Board

Frostrow Capital LLP
Company Secretary

25 May 2017

Governance / Report of the Directors

The Directors present this Annual Report on the affairs of the Company together with the Audited Financial Statements and the Independent Auditor's Report for the year ended 31 March 2017.

Company management

Alternative Investment Fund Manager

Frostrow under the terms of its AIFM agreement with the Company provides, *inter alia*, the following services: delegation (subject to the oversight of Frostrow and the Board) of the portfolio management function to OrbiMed; investment portfolio administration and valuation; risk management services; marketing and shareholder services; share price discount and premium management; administrative and secretarial services; advice and guidance in respect of corporate governance requirements; maintenance of the Company's accounting records; preparation and dispatch of annual and half year reports and monthly fact sheets; ensuring compliance with applicable legal and regulatory requirements; and maintenance of the Company's website.

Frostrow receives a periodic fee equal to 0.30% per annum of the Company's market capitalisation, plus a fixed amount equal to £60,000 per annum. Either party may terminate the AIFM Agreement on not less than 12 months' notice.

Portfolio Manager

OrbiMed under the terms of its portfolio management agreement with the AIFM and the Company provides, *inter alia*, the following services: the seeking out and evaluating of investment opportunities; recommending the manner by which monies should be invested, disinvested, retained or realised; advising on how rights conferred by the investments should be exercised; analysing the performance of investments made; and advising the Company in relation to trends, market movements and other matters which may affect the investment objective and policy of the Company. OrbiMed receives a periodic fee equal to 0.65% per annum of the Company's net asset value. The proportion of the Company's assets committed for investment in OrbiMed Asia Partners L.P., a limited partnership managed by OrbiMed Asia G.P., L.P., an affiliate of the Portfolio Manager, is excluded from the fee calculation. The Portfolio Management Agreement may be terminated by either Frostrow or the Portfolio Manager giving notice of not less than 12 months.

Performance fee

Dependent on the level of long-term outperformance of the Company, the AIFM and Portfolio Manager are entitled to the payment of a performance fee. The performance fee is calculated by reference to the amount by which the Company's net asset value ('NAV') performance has outperformed the NASDAQ Biotechnology Index (sterling adjusted), the Company's benchmark index.

The fee is calculated quarterly by comparing the cumulative performance of the Company's NAV with the cumulative performance of the benchmark since the commencement of the performance fee arrangement on 30 June 2005. The performance fee amounts to 16.5% of any outperformance over the benchmark, the AIFM receiving 1.5% and the Portfolio Manager receiving 15% respectively. Provision is also made within the daily NAV per share calculation as required and in accordance with generally accepted accounting standards.

In order to ensure that only sustained outperformance is rewarded, at each quarterly calculation date any performance fee is based on the lower of:

(i) The cumulative outperformance of the portfolio over the benchmark as at the quarter end date; and

(ii) The cumulative outperformance of the portfolio over the benchmark as at the corresponding quarter end date in the previous year.

In addition, a performance fee only becomes payable to the extent that the cumulative outperformance gives rise to a total fee greater than the total of all performance fees paid to date.

The proportion of the Company's assets invested in OrbiMed Asia Partners L.P. is excluded from the Portfolio Manager's performance fee calculation.

Depositary and Prime Broker

The Company appointed J.P. Morgan Europe Limited (the "Depositary") as its depositary. Under the terms of the Depositary Agreement the Company has agreed to pay the Depositary a fee calculated at 1.75 bps on net assets up to £150 million, 1.50 bps on net assets between £150 million and £300 million, 1.00 bps on net assets between £300 million and £500 million and 0.50 bps on net assets above £500 million.

The Depositary has delegated the custody and safekeeping of the Company's assets to J.P. Morgan Clearing Corp (the "Prime Broker").

Under the terms of a Delegation Agreement, liability has been transferred under Article 21(12) of the AIFMD for the loss of the Company's financial instruments held in custody by the Prime Broker to the Prime Broker in accordance with Article 21(13) of the AIFMD. While the Depositary Agreement prohibits the re-use of the Company's assets by the Depositary or the Prime Broker without the prior consent of the Company or Frostrow, the Company has consented to the transfer and re-use of its assets by the Prime Broker (known as "rehypothecation") in accordance with the terms of an institutional account agreement between the Company, the Prime Broker and certain other J.P. Morgan Entities (as defined therein) (the "Institutional Account Agreement"). This activity is undertaken in order to take advantage of lower financing costs on the Company's overdraft and also lower custody charges.

The Prime Broker is a registered broker-dealer and is accordingly subject to limits on rehypothecation, in particular limitations set out in U.S. SEC Rule 15c3-3. In the event of the Prime Broker's insolvency, the Company may be unable to recover in full all assets held by the Prime Broker as Custodian. (See note 13 on page 66 for further details.)

AIFM and Portfolio Manager evaluation and re-appointment

The performance of the AIFM and the Portfolio Manager is reviewed by the Company's Management Engagement Committee (the "Committee") with a formal evaluation being undertaken each year. As part of this process, the Committee monitors the services provided by the AIFM and the Portfolio Manager and receives regular reports and views from them. The Committee also receives comprehensive performance measurement reports to enable it to determine whether or not the performance objectives set by the Board have been met. The Committee reviewed the appropriateness of the appointment of the AIFM and the Portfolio Manager in February 2017 with a recommendation being made to the Board.

The Board believes the continuing appointment of the AIFM and the Portfolio Manager, under the terms described above and on the previous page, is in the interests of shareholders as a whole. In coming to this decision, it also took into consideration the following additional reasons:

– the quality and depth of experience allocated by the Portfolio Manager to the management of the portfolio and the level of performance of the portfolio in absolute terms and also by reference to the benchmark index; and

– the quality and depth of experience of the company management, company secretarial, administrative and marketing team that the AIFM allocates to the management of the Company.

Overdraft facility

The Company's borrowing requirements are met through the utilisation of an overdraft facility, repayable on demand, provided by J.P. Morgan Clearing Corp. (Further details can be found in note 1 beginning on page 56 and note 13 beginning on page 63).

Share capital

As part of the package of measures adopted in 2005 by the Board to improve the attraction of the Company's shares to new investors and also to provide the prospect of a sustained improvement in the rating of the Company's shares, an active discount management policy was implemented to buy-back shares to either hold in treasury or for cancellation if the market price is at a discount greater than 6% to net asset value per share. As at 31 March 2017, the discount was 6.6%. The making and timing of any share buy-back remains at the absolute discretion of the Board. Authority to buy-back up to 14.99% of the Company's issued share capital is sought at each Annual General Meeting.

Shareholders should note, however, that it remains possible for the share price discount to the net asset value per share to be greater than 6% on any one day. This is due to the fact that the share price continues to be influenced by overall supply and demand for the Company's shares in the secondary market. The volatility of the net asset value per share in an asset class such as healthcare is another factor over which the Board has no control.

During the year a total of 4,455,561 shares were bought back representing 7.4% of the issued share capital at the beginning of the year. The purchases were made at a total cost of £29.7 million (including expenses). No shares have been repurchased by the Company since the year-end. As at 25 May 2017 there were 55,839,913 shares in issue.

Annual General Meeting

THE FOLLOWING INFORMATION TO BE DISCUSSED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents, including the form of proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 11 Authority to allot shares

Resolution 12 Authority to disapply pre-emption rights

Resolution 13 Authority to buy back shares

Resolution 14 Authority to hold General Meetings (other than the AGM) on at least 14 working days' notice

The full text of the resolutions can be found in the Notice of Annual General Meeting on pages 74 to 78. Explanatory notes regarding the resolutions can be found on pages 79 and 80.

Directors

Directors' fees

A report on Directors' Remuneration and also the Directors' Remuneration Policy Report are set out on pages 42 to 45.

Directors' & Officers' liability insurance cover

Directors' & Officers' liability insurance cover was maintained by the Board during the year ended 31 March 2017. It is intended that this policy will continue for the year ended 31 March 2018 and subsequent years.

Directors' indemnities

As at the date of this report, indemnities are in force between the Company and each of its Directors under which the Company has agreed to indemnify each Director, to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out his/her role as a Director of the Company. The Directors are also indemnified against the costs of defending any criminal or civil proceedings or any claim by the Company or a regulator as they are incurred provided that where the defence is unsuccessful the Director must repay those defence costs to the Company. The indemnities are qualifying third party indemnity provisions for the purposes of the Companies Act 2006.

A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

Substantial shareholdings

The Company was aware of the following substantial interests in the voting rights of the Company as at 30 April 2017, the latest practicable date before publication of the annual report.

	30 April 2017		31 March 2017	
Shareholders	No. of shares	% of Issued share capital	No. of shares	% of Issued share capital
Hargreaves Lansdown	5,278,037	9.5	5,335,384	9.6
East Riding of Yorkshire	4,698,000	8.4	4,698,000	8.4
Alliance Trust Savings	2,895,039	5.2	2,939,133	5.3
Standard Life Wealth	1,860,553	3.3	1,870,613	3.3
Veritas Investment Management	1,706,202	3.1	1,703,752	3.1
Hansa Capital Partners	1,677,615	3.0	2,073,415	3.7

As at 31 March 2017 the Company had 55,839,913 shares in issue. As at 30 April 2017 the Company had 55,839,913 shares in issue.

Financial instruments

The Company's financial instruments comprise its portfolio, cash balances, debtors and creditors that arise directly from its operations, such as sales and purchases awaiting settlement and accrued income. The financial risk management and policies arising from its financial instruments are disclosed in note 13 to the Financial Statements.

Results and dividend

The results attributable to shareholders for the year and the transfer to reserves are shown on page 52. No dividend is proposed in respect of the year ended 31 March 2017 (2016: nil).

Alternative performance measures

The Financial Statements (on pages 52 to 68) set out the required statutory reporting measures of the Company's financial performance. In addition, the Board assesses the Company's performance against a range of criteria which are viewed as particularly relevant for investment trusts, which are summarised on page 3 and explained in greater detail in the Strategic Report, under the heading 'Key Performance Indicators' on pages 12 and 13.

Awareness and disclosure of relevant audit information

So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act) of which the Company's auditors are unaware.

Each of the Directors has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provision of Section 418(2) of the Companies Act 2006.

S.I 2007/1093 C.49 Commencement No2. Order 2007

The following disclosures are made in accordance with S.1 2007/1093 C.49 Commencement No2. Order 2007

Capital structure

The Company's capital structure is composed solely of Ordinary Shares. Details are given in note 11 to the Financial Statements on page 63.

Voting rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this Annual Report are given in note 9 to the Notice of Annual General Meeting on page 77.

Political and charitable donations

The Company has not in the past and does not intend in the future to make political or charitable donations.

Modern Slavery Act 2015

The Company does not provide goods or services in the normal course of business, and as a financial investment vehicle does not have customers. The Directors do not therefore consider that the Company is required to make a statement under the Modern Slavery Act 2015 in relation to slavery or human trafficking.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), (including those within our underlying investment portfolio).

Common Reporting Standard (CRS)

CRS is a global standard for the automatic exchange of information commissioned by the Organisation for Economic Cooperation and Development and incorporated into UK law by the International Tax Compliance Regulations 2015. CRS requires the Company to provide certain additional details to HMRC in relation to certain shareholders. The reporting obligation began in 2016 and will be an annual requirement going forward. The Registrars, Capita Asset Services, have been engaged to collate such information and file the reports with HMRC on behalf of the Company.

Corporate governance

The Corporate Governance Statement set out on pages 20 to 32 forms part of the Report of the Directors.

Listing Rule 9.8.4

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

By order of the Board

Frostrow Capital LLP
Company Secretary

25 May 2017

Governance / Statement of Directors' Responsibilities

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

Company law requires the directors to prepare Financial Statements for each financial year. Under that law, the Directors are required to prepare Financial Statements under International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. 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.

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

Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements as the assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Statement under DTR 4.1.12

Each of the Directors, who are listed on page 81, confirms that, to the best of his or her knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union on a going concern basis, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

We consider the Annual Report and the 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

Andrew Joy
Chairman

25 May 2017

Governance / Audit Committee Report

for the year ended 31 March 2017

Introduction from the Chairman

I present my last formal report to shareholders as Chairman of the Audit Committee, for the year ended 31 March 2017. I shall be retiring from the Board at the conclusion of this year's Annual General Meeting at which time Julia Le Blan, a Chartered Accountant, will succeed me as Chairman of the Audit Committee.

Constitution Composition and Meetings

During the year, in order to strengthen the Company's governance structure, the Board agreed to split the 'audit' and 'management engagement' functions of the Audit and Management Engagement Committee and to create two new Committees (an Audit Committee and a Management Engagement Committee) to be responsible for these areas. The Audit and Management Engagement Committee, met twice during the year. Membership comprises the independent Directors and attendance by each Director is shown in the table on page 19. I was appointed Chairman of the Committee in 2005. The Board has taken note of the requirements that the Committee as a whole should have competence relevant to the sector in which the Company operates and that at least one member of the Committee should have recent and relevant financial experience. The Committee is satisfied that the Committee is properly constituted in both respects: I am a Chartered Accountant and have over 30 years' experience in the management and financing of life science businesses; the other Committee members have a combination of financial, investment and other relevant experience gained throughout their careers.

Responsibilities

The Committee's main responsibilities during the year were:

1. **To review the Company's half-year and annual financial statements** together with announcements and other filings relating to the financial performance of the Company and issues of the Company's shares. In particular, the Committee considered whether the annual financial statements are fair, balanced and understandable, allowing shareholders to more easily assess the Company's strategy, investment policy, business model and financial performance.
2. **To review the risk management and internal control processes** of the Company and its key service providers. As part of this review the Committee again reviewed the appropriateness of the Company's anti-bribery and corruption policy. During the year the Committee reviewed the Internal Controls in place at the Company's AIFM, Frostrow, its Portfolio Manager, OrbiMed, its Registrar, Capita Asset Services and its custodian J.P. Morgan Clearing Corp. Further information concerning risk management can be found within the Strategic Report on pages 14 to 16.
3. **To recommend the appointment of an external auditor,** and agreeing the scope of its work and its remuneration, reviewing its independence and the effectiveness and objectivity of the audit process.
4. **To consider any non-audit work to be carried out by the auditor.** The Committee reviews the need for non-audit services and authorises such fees on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditors. Non-audit fees of £6,825 were paid to Ernst & Young LLP for their review of the Company's half-year accounts. In addition fees totaling £1,300 were earned in relation to taxation services. The external auditor carried out no other non-audit work during the year.
5. **To consider the need for an internal audit function.** Since the Company delegates its day-to-day operations to third parties and has no employees, the Committee has determined there is no requirement for such a function.

The Committee's terms of reference are available for review on the Company's website at www.biotechgt.com.

Financial statements

The financial statements, and the Annual Report as a whole, are the responsibility of the Board. The Directors' Responsibility Statement is contained on page 38. The Board looks to the Audit Committee to advise them in relation to the Financial Statements both as regards their form and content, issues which might arise and on any specific areas requiring judgment.

Significant reporting matters

During the year the Committee considered key accounting issues, matters and judgments in relation to the Company's financial statements and disclosures relating to:

Company's Investments – valuation and ownership of the Company's investments

The Committee approached and dealt with this area of risk by:

- reconfirming its understanding of the processes in place to record investment transactions and to value the investment portfolio;
- gaining an overall understanding of the performance of the investment portfolio both in capital and revenue terms through comparison to a suitable benchmark; and
- ensuring that all investment holdings and cash/deposit balances have been agreed to confirmation from the custodian or relevant bank.

Taxation – ensuring that the regulations for the Company to maintain its investment trust status have been observed

The Committee approached and dealt with the area of risk, surrounding compliance with section 1158 of the Corporation Tax Act 2010, by:

- seeking confirmation from the AIFM that the Company continues to meet the eligibility conditions as outlined in section 1158 through reports received at each Board meeting and also as part of the monthly Compliance Monitoring Report sent to the Board;
- by obtaining written confirmation from HMRC, evidencing the approval of the Company as an investment trust under the regime; and
- understanding the risks and consequences if the Company breaches this approval in future years.

Terms of Reference and Non-Audit Services Policy

The Committee undertook a review of the Committee's Terms of Reference and the Company's non-audit services policy in light of the change in the nature of the Committee's responsibilities and also of the new ethical standards.

Internal controls

The Board has established an ongoing process for identifying, evaluating and managing any major risks faced by the Company. The process accords with advice issued by the FRC and is subject to regular review by the Audit Committee. The Board has overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit Committee has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 March 2017. During the course of its review the Audit Committee has not identified or been advised of any failings or weaknesses that have been determined as significant.
All business risks faced by the Company are recorded in a detailed risk map which is reviewed periodically. In arriving at its judgement of what constitutes a sound system of internal control, the Directors considered 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 a reality; and
- the Company's ability to reduce the incidence and impact of risk on its performance.

Against this background, the Board has split the review of risk and associated controls into five sections reflecting the nature of the risks being addressed. These sections are as follows:

- corporate strategy;
- investment activity;
- published information, compliance with laws and regulations;
- service providers; and
- financial activity.

The Company has obtained from its various service providers assurances and information relating to their internal systems and controls to enable the Board to make an appropriate risk and control assessment, including the following:

- details of the control environment in operation;
- identification and evaluation of risks and control objectives;
- review of communication methods and procedures; and
- assessment of the control procedures.

All of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board or on its behalf by Frostrow.

In accordance with guidance issued to directors of listed companies, the Directors confirm that they have carried out a review of the effectiveness of the system of internal financial control and risk management during the year, as set out above and that the ongoing process for identifying, evaluating and managing significant risks faced by the Company, has been in place for the year under review and up to 25 May 2017.

Non-Audit Services

The Company operates on the basis whereby the provision of all non-audit services by the Auditor has to be pre-approved by the Audit Committee. Such services are only permissible where no conflicts of interest arise, the service is not expressly prohibited by audit legislation, where the independence of the Auditor is not likely to be impinged by undertaking the work and the quality and the objectivity of both the non-audit work and audit work will not be compromised. In particular, non-audit services may be provided by the Auditor if they are inconsequential or would have no direct effect on the Company's financial statements and the audit firm would not place significant reliance on the work for the purposes of the statutory audit.

Audit Tendering

As a public company listed on the London Stock Exchange, the Company is subject to the mandatory Auditor rotation requirements of the European Union. The Company will put the external audit out to tender at least every 10 years and change Auditor at least every 20 years. Ernst & Young LLP have been in post since July 2014, which was the last occasion an audit tender was held. Formal Audit tender guidelines have been adopted to govern the Audit tender process.

Auditor Reappointment

Ernst & Young LLP have indicated their willingness to continue to act as Auditor to the Company for the forthcoming year and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The Committee reviews the scope and effectiveness of the audit process, including agreeing the Auditor's assessment of materiality and monitors the Auditor's independence and objectivity. It conducted a review of the performance of the Auditor during the year and concluded that performance was satisfactory and there were no grounds for change.

Peter Keen
Chairman of the Audit Committee

25 May 2017

Governance / Directors' Remuneration Report

for the year ended 31 March 2017

Statement from the Chairman of the Remuneration Committee

I am pleased to present the Directors' Remuneration Report to shareholders.

This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. A non-binding Ordinary Resolution for the approval of this report was last put to the shareholders at the 2016 Annual General Meeting. The Directors Remuneration Policy Report, which is separate to this report can be found on page 45.

The law requires the Company's Auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report to shareholders beginning on page 46. The Remuneration Policy Report on page 45 forms part of this report.

The Remuneration Committee considers the framework for the remuneration of the Directors on an annual basis. It reviews the ongoing appropriateness of the Company's remuneration policy and the individual remuneration of Directors by reference to the activities of the Company and comparison with other companies of a similar structure and size. This is in line with the AIC Code.

At the most recent review held on 28 February 2017, the following increases to the fees paid to the Directors were agreed with effect from 1 April 2017: Chairman £36,500 pa; Chairman of the Audit Committee £28,000 pa; Senior Independent Director £28,000 pa; Director £25,500 pa. The last increase took effect from 1 April 2015.

In the year to 31 March 2017, the Directors' fees were paid at the following annual rates: the Chairman of the Company £35,500, Peter Keen as Chairman of the Audit Committee and myself as the Senior Independent Director received an annual fee of £27,000. The remaining Directors received £25,000.

All levels of remuneration reflect both the time commitment and responsibility of the role.

Directors' fees

The Directors, as at the date of this report, and who all served throughout the year (unless where stated), received the fees listed in the table below. These exclude any employers' national insurance contributions, if applicable.

As noted in the Strategic Report, all of the Directors are non-executive and therefore there is no Chief Executive Officer. The Company does not have any employees. There is therefore no CEO or employee information to disclose.

Directors' emoluments for the year (audited)

The Directors who served in the year received the following emoluments in the form of fees:

	Date of Appointment to the Board	Year ended 31 March 2017 Base Salary £	Taxable Benefits+ £	Total £	Year ended 31 March 2016 Base Salary £	Taxable Benefits+ £	Total £
The Rt Hon Lord Waldegrave of North Hill (retired 12 July 2016)	6 June 1998	9,967	–	9,967	35,500	–	35,500
Steven Bates	8 July 2015	25,000	–	25,000	18,397	–	18,397
Sven Borho	23 March 2006	25,000	–	25,000	25,000	–	25,000
Professor Dame Kay Davies^	15 March 2012	26,369	439	26,808	25,000	231	25,231
Paul Gaunt (retired on 8 July 2015)		–	–	–	4,744	506	5,250
Andrew Joy (Chairman)†	15 March 2012	33,022	–	33,022	27,000	–	27,000
Peter Keen (Chairman of the Audit Committee)~	23 June 1997	27,000	1,164	28,164	27,000	561	27,561
Julia Le Blan**	12 July 2016	18,013	–	18,013	–	–	–
The Rt Hon Lord Willetts	11 November 2015	25,000	–	25,000	9,679	–	9,679
		189,371	1,603	190,974	172,320	1,298	173,618

+ Taxable benefits primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London. These are re-imbursed by the Company and, under a new interpretation of HMRC Rules, are subject to tax and National Insurance and therefore are treated as a Benefit in Kind with this table.

^ Appointed Senior Independent Director on 12 July 2016.

† Appointed as Chairman on 12 July 2016. Prior to this he was the Senior Independent Director.

~ Will retire from the Board on 12 July 2017. He will be succeeded as Chairman of the Audit Committee by Julia Le Blan.

** Appointed on 12 July 2016.

The Directors are entitled to be re-imbursed for reasonable expenses incurred by them in connection with the performance of their duties and attendance at Board and General Meetings.

In certain circumstances, under HMRC rules, travel and other out of pocket expenses reimbursed to the Directors may be considered as taxable benefits. Where expenses are classed as taxable under HMRC guidance they are shown in the Taxable Benefits column of the table on the previous page.

Relative cost of directors' remuneration for the year ended 31 March 2017

To enable shareholders to assess the relative cost of Directors' remuneration, this has been shown in the table below compared with the Company's AIFM, Portfolio Management and other expenses.

	2017 £000	2016 £000	Difference £000
Fees of non-executive directors (base salary)	189	172	17
AIFM, Portfolio management fees and other expenses (excluding performance fee provisions)	4,608	4,943	(335)
Performance fee provision/(write back)	–	(1,854)	1,854

During the year ended 31 March 2017 no performance fees were paid (2016: £nil).

At the Annual General Meeting held in July 2016 the results in respect of the non-binding resolution to approve the Directors' Remuneration Report were as follows:

Directors' remuneration report

	Percentage of votes cast For	Percentage of votes cast Against	Number of votes withheld
	99.20%	0.80%	53,991

At the Annual General Meeting held in July 2014 the results in respect of the binding resolution to approve the Directors' Remuneration Policy were as follows:

Directors' remuneration policy

	Percentage of votes cast For	Percentage of votes cast Against	Number of votes withheld
	77.15	22.85	68,430

Further details concerning Director Remuneration can be found in the Corporate Governance section on page 24.

A copy of the Directors' Remuneration Policy may be inspected by shareholders by either contacting the Company Secretary or visiting the Company's website at www.biogtechgt.com.

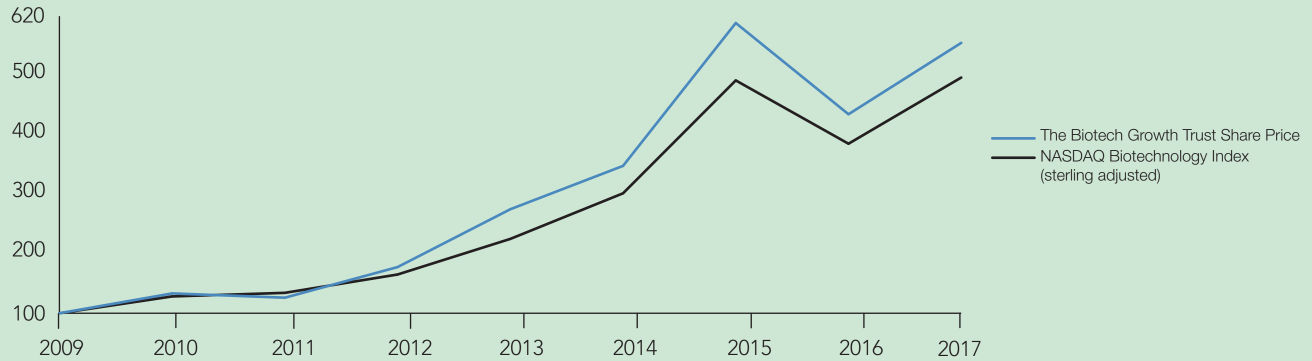
Loss of office

Directors do not have service contracts with the Company but are engaged under Letters of Appointment. These specifically exclude any entitlement to compensation upon leaving office for whatever reason.

Share price return

Share price versus the NASDAQ Biotechnology Index (sterling adjusted). The chart overleaf illustrates the shareholder return for a holding in the Company's shares as compared to the NASDAQ Biotechnology Index (sterling adjusted), which the Board has adopted as the measure for both the Company's performance and that of the Portfolio Manager for the period.

Shareholder total return for the eight years to 31 March 2017



Rebased to 100 as at 31 March 2009
Source: Morningstar

Directors' interests in ordinary shares (audited)

The Directors interests in the share capital of the Company are shown in the table below:

	Number of shares held as at 25 May 2017	31 March 2017	31 March 2016
Andrew Joy (Chairman)	55,000	55,000	55,000
The Rt Hon Lord Waldegrave of North Hill (retired 12 July 2016)	N/A	N/A	58,716
Steven Bates	nil	nil	nil
Sven Borho	236,218	236,218	236,218
Professor Dame Kay Davies, CBE	3,500	3,500	nil
Peter Keen	55,000	55,000	55,000
Julia Le Blan	4,000	4,000	N/A
The Rt Hon Lord Willetts	nil	nil	nil

None of the Directors was granted or exercised rights over shares during the year. Sven Borho is a Partner at OrbiMed, the Company's Portfolio Manager, which is party to the Portfolio Management Agreement with the Company and receives fees as described on page 33 of this Annual Report.

Annual statement

On behalf of the Board I confirm that the Remuneration Policy, set out on page 45 and Remuneration Report summarise, as applicable, for the year to 31 March 2017:

(a) the major decisions on Directors' remuneration;

(b) any substantial changes relating to Directors' remuneration made during the year; and

(c) the context in which the changes occurred and decisions have been taken.

Professor Dame Kay Davies, CBE
Senior Independent Director and Chairman of the Remuneration Committee

25 May 2017

Governance / Directors' Remuneration Policy

The Company follows the recommendations of the AIC Code that Directors' remuneration should reflect their duties, responsibilities and the value of their time spent. The Board's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive Directors. This policy is reviewed annually and it is intended that it will continue for the year ending 31 March 2017 and for subsequent financial years.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, the maximum aggregate limit currently being £250,000 per annum, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The current and projected Directors' fees are shown in the following table. The Company does not have any employees.

Directors' remuneration year ended 31 March 2017

None of the Directors has a service contract. The terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment and to re-election annually thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

No communications have been received from shareholders regarding Directors' remuneration.

In accordance with best practice recommendations the Board will put the Remuneration Policy to shareholders at the Annual General Meeting at least once every three years.

Approval of this policy was granted by shareholders at the Annual General Meeting held in July 2014 and so shareholder approval will again be sought at this year's Annual General Meeting.

Governance / Independent Auditor's Report to the Members of The Biotech Growth Trust PLC

Our opinion on the financial statements

In our opinion the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 March 2017 and of its financial performance and its cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

We have audited the financial statements of The Biotech Growth Trust PLC which comprise:

- Income Statement for the year ended 31 March 2017
- Statement of Financial Position as at 31 March 2017
- Statement of Changes in Equity for the year ended 31 March 2017
- Statement of Cash Flows for the year ended 31 March 2017
- The related notes 1 to 17

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Overview of our audit approach

Risks of material misstatement	• Incorrect valuation of the investment portfolio.
Audit Scope	• We performed an audit of the complete financial information of The Biotech Growth Trust PLC.
Materiality	• £4.4 million which represents 1% of total equity (2016: £3.8 million) as at 31 March 2017.

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	What we concluded to the Audit Committee
Incorrect valuation of the investment portfolio The valuation of the assets held in the investment portfolio is the key driver of the Company's investment return. Incorrect valuation of assets by the Company could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.	**We performed the following procedures:** For quoted investments, we agreed 100% of the year end prices to independent pricing sources. For the unquoted investment, we have assessed the Company's estimation of fair value and have obtained independent confirmation that the fair value, as at the year-end date, is in accordance with the Company's valuation policy. We have ensured that there is no material difference between management's valuation and the partnership's capital as at 31 March 2017. We have also assessed the reasonableness of the FX used to an independent source. No issues noted.	The results of our procedures identified no material error in the valuation of the investment portfolio assets. Based on the work performed, we have no matters to report.

The scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. Taken together, this enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls at Frostrow Capital LLP and J.P. Morgan Chase Bank, changes in the business environment and other factors such as recent Service Organisation Control ('SOC') Reports when assessing the level of work to be performed at Company level.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £4.4 million (2016: £3.8 million), which is 1% of total equity as at 31 March 2017. We believe that total equity is the most important financial metric on which shareholders judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) was 75% (2016: 75%) of our planning materiality, namely £3.4 million (2016: £2.8 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £60k (2016: £54k) for the revenue column of the income statement, being 5% of the revenue profit before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £224k (2016: £189k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 38, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- based on the work undertaken in the course of the audit:
  - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
  - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements;

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial information in the annual report is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or • otherwise misleading. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the Directors' statement that they consider the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the Audit Committee that we consider should have been disclosed.	We have no exceptions to report.
Companies Act 2006 reporting	In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report, Directors' Report or Corporate Governance Report. We are required to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	We have no exceptions to report.
Listing Rules review requirements	We are required to review: • the directors' statement in relation to going concern, set out on page 38, and longer-term viability, set out on page 17; and • the part of the Corporate Governance Report relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.	We have no exceptions to report.

Statement on the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the entity

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to: • the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; • the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated; • the Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and • the Directors' explanation in the Annual Report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

AMARJIT SINGH
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF ERNST & YOUNG LLP
STATUTORY AUDITOR
LONDON
25 May 2017

Financial Statements / Income Statement

for the year ended 31 March 2017

	Notes	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000	2016 Revenue £'000	2016 Capital £'000	2016 Total £'000
Investment Income							
Investment income	2	1,905	–	1,905	1,820	–	1,820
Total income					1,820	–	1,820
Gains/(losses) on investments							
Gains/(losses) on investments held at fair value through profit or loss	8	–	103,813	103,813	–	(125,284)	(125,284)
Exchange losses on currency balances		–	(2,252)	(2,252)	–	(1,802)	(1,802)
Expenses							
AIFM, Portfolio management and performance fees	3	–	(3,905)	(3,905)	–	(2,353)	(2,353)
Other expenses	4	(703)	–	(703)	(736)	–	(736)
Profit/(loss) before finance costs and taxation		1,202	97,656	98,858	1,084	(129,439)	(128,355)
Finance costs	5	–	(280)	(280)	–	(340)	(340)
Profit/(loss) before taxation		1,202	97,376	98,578	1,084	(129,779)	(128,695)
Taxation	6	(281)	–	(281)	(254)	–	(254)
Profit/(loss) for the year		921	97,376	98,297	830	(129,779)	(128,949)
Basic and diluted earnings/(loss) per share	7	1.6p	169.9p	171.5p	1.3p	(209.4)p	(208.1)p

The Company does not have any income or expenses which are not included in the profit for the year. Accordingly the "profit for the year" is also the "total comprehensive income for the year", as defined in IAS 1 (revised) and no separate Statement of Comprehensive Income has been presented.

The "Total" column of this statement represents the Company's Income Statement, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The "Revenue" and "Capital" columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

The accompanying notes from page 56 to page 68 are an integral part of this statement.

Financial Statements / Statement of Financial Position

as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Non current assets			
Investments held at fair value through profit or loss	8	461,378	420,427
Current assets			
Other receivables	9	117	4,718
		117	4,718
		461,495	425,145
Current liabilities			
Other payables	10	1,235	10,389
Bank overdraft		13,083	36,189
		14,318	46,578
Net assets		447,177	378,567
Equity attributable to equity holders			
Ordinary share capital	11	13,960	15,074
Share premium account		43,021	43,021
Capital redemption reserve		8,839	7,725
Capital reserve	16	383,283	315,594
Revenue reserve		(1,926)	(2,847)
Total equity		447,177	378,567
Net asset value per share	12	800.8p	627.9p

The financial statements on pages 52 to 68 were approved by the Board on 25 May 2017 and were signed on its behalf by:

Andrew Joy
Chairman

The accompanying notes from page 56 to page 68 are an integral part of this statement.

The Biotech Growth Trust PLC – Company Registration Number 3376377 (Registered in England)

Financial Statements / Statement of Changes in Equity

for the year ended 31 March 2017

	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2016	15,074	43,021	–	7,725	315,594	(2,847)	378,567
Net profit for the year	–	–	–	–	97,376	921	98,297
Repurchase of own shares for cancellation*	(1,114)	–	–	1,114	(29,687)	–	(29,687)
At 31 March 2017	13,960	43,021	–	8,839	383,283	(1,926)	447,177

* Further details can be found in note 11 on page 63.

for the year ended 31 March 2016

	Ordinary share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2015	17,222	43,021	252	5,577	470,907	(3,677)	533,302
Net (loss)/profit for the year	–	–	–	–	(129,779)	830	(128,949)
Repurchase of own shares to be held in treasury*	–	–	(252)	–	(10,241)	–	(10,493)
Repurchase of own shares for cancellation*	(570)	–	–	570	(15,293)	–	(15,293)
Cancellation of own shares held in treasury*	(1,578)	–	–	1,578	–	–	–
At 31 March 2016	15,074	43,021	–	7,725	315,594	(2,847)	378,567

* Further details can be found in note 11 on page 63.

The accompanying notes from page 56 to page 68 are an integral part of this statement.

Financial Statements / Statement of Cash Flows

for the year ended 31 March 2017

	2017 £'000	2016 £'000
Operating activities		
Profit/(loss) before taxation*	98,578	(128,695)
Finance costs	280	340
(Gains)/losses on investments held at fair value through profit or loss	(103,813)	125,284
Decrease/(increase) in other receivables	45	(24)
Increase/(decrease) in other payables	186	(2,218)
Net cash outflow from operating activities before interest and taxation	(4,724)	(5,313)
Finance costs – interest paid	(280)	(340)
Taxation paid	(281)	(254)
Net cash outflow from operating activities	(5,285)	(5,907)
Investing Activities		
Purchases of investments held at fair value through profit or loss	(298,295)	(378,906)
Sales of investments held at fair value through profit or loss	356,373	422,793
Net cash inflow from investing activities	58,078	43,887
Financing activities		
Repurchase of own shares to be held in treasury	–	(10,493)
Repurchase of own shares for cancellation	(29,687)	(15,293)
Net cash outflow from financing activities	(29,687)	(25,786)
Net increase in cash and cash equivalents	23,106	12,194
Cash and cash equivalents at start of year	(36,189)	(48,383)
Cash and cash equivalents at end of year	(13,083)	(36,189)

* Includes dividends and other income earned during the year of £1,905,000 (2016: £1,820,000).

The accompanying notes from page 56 to page 68 are an integral part of this statement.

1. Accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC") that remain in effect, to the extent that IFRS have been adopted by the European Union.

The principal accounting policies adopted are set out below.

The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts produced by the Association of Investment Companies ("AIC") revised November 2014 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated. The accounts have been prepared on a going concern basis as the Directors consider that in the foreseeable future (at least 12 months from the date of approval of the financial statements) the Company will continue to be able to meet its liabilities as they fall due.

The accounting policies adopted are consistent with those of the previous financial year.

Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. In the process of applying the Company's accounting policies, the Directors have made the following estimate:

Fair value of the unquoted investments estimate

The unquoted investment OrbiMed Asia Partners L.P., has been valued using the Net Asset Value as presented in the partnership's Consolidated Financial Statements as at 31 December 2016. The statements were audited by KPMG LLP (New Jersey Headquarters) and were approved on 28 March 2017.The Directors believe that the Net Asset Value as at 31 March 2017 is not materially different.

(b) Investments

Investments are recognised and de-recognised on the trade date.

As the entity's business is investing in financial assets with a view to profiting from their total return in the form of dividends or increases in fair value, investments are designated as fair value through profit or loss and are initially recognised at fair value. The entity manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided internally on this basis to the Board.

Investments designated as at fair value through profit or loss, which are quoted investments, are measured at subsequent reporting dates at fair value which is either the bid or the last trade price, depending on the convention of the exchange on which it is quoted.

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using valuation techniques which may include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, that technique is utilised.

Gains and losses on disposal and fair value changes are also recognised in the Income Statement.

1. Accounting policies continued

(c) Presentation of Income Statement

In order to better reflect the activities of an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. Net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 of the Corporation Tax Act 2010. The requirements are to distribute net revenue but only so far as there are positive revenue reserves.

(d) Income

Dividends receivable on equity shares are recognised on the ex-dividend date. Where no ex-dividend date is quoted, dividends are recognised when the Company's right to receive payment is established.

Dividends from investments in unquoted shares and securities are recognised when they become receivable.

(e) Expenses and finance costs

All expenses are accounted for on an accruals basis. Expenses are charged through the Income Statement as follows:

- expenses which are incidental to the acquisition or disposal of an investment are charged to the capital column of the Income Statement;
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investment can be demonstrated, and accordingly;
- AIFM and Portfolio management fees are charged to the capital column of the Income Statement as the Directors expect that in the long term virtually all of the Company's returns will come from capital; and
- bank overdraft interest is charged through the Income Statement on an effective rate basis and allocated to the capital column, as the Directors expect that in the long-term virtually all of the Company's returns will come from capital.

(f) Taxation

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Income Statement is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Income Statement, then no tax relief is transferred to the capital column.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, or Other Comprehensive Income (OCI), in which case the deferred tax is also dealt with in equity or OCI respectively.

1. Accounting policies continued

(g) Foreign currencies

The currency of the primary economic environment in which the Company operates (the functional currency) is sterling, which is also the presentational currency of the Company. Transactions involving currencies other than sterling are recorded at the exchange rate ruling on the transaction date. At each Statement of Financial Position date, monetary items and non-monetary assets and liabilities that are fair valued, which are denominated in foreign currencies, are retranslated at the closing rates of exchange.

Exchange differences are included in the Income Statement and allocated as capital if they are of a capital nature, or as revenue if they are of a revenue nature.

(h) Functional and presentational currency

The financial information is shown in sterling, being the Company's presentational currency. In arriving at the functional currency the Directors have considered the following:

(i) the primary economic environment of the Company;

(ii) the currency in which the original capital was raised;

(iii) the currency in which distributions are made;

(iv) the currency in which performance is evaluated; and

(v) the currency in which the capital would be returned to shareholders on a break up basis.

The Directors have also considered the currency to which the underlying investments are exposed and liquidity is managed. The Directors are of the opinion that sterling best represents the functional currency.

(i) Reserves

Equity share capital

- represents the nominal value of the issued share capital

Capital reserves

The following are credited or charged to the capital column of the Income Statement and then transferred to the Capital Reserve:

- gains or losses on disposal of investments
- exchange differences of a capital nature
- expenses allocated to this reserve in accordance with the above referred policies
- increases and decreases in the valuation of investments held at year end

Capital redemption reserve

- a transfer will be made to this reserve on cancellation of the Company's own shares purchased, equal to the nominal value of the Shares

Special reserve

During the financial year ended 31 March 2004, a Special Reserve was created, following the cancellation of the Share Premium account, in order to provide an increased distributable reserve out of which to purchase the Company's own shares.

- a transfer will be made from this reserve on cancellation of the Company's own shares purchased or when the Company repurchases its own shares to be held in treasury.

1. Accounting policies continued

(j) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term deposits with a majority of three months or less, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand, which form an integral part of the Company's cash management, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(k) Bank overdraft

The Company has an overdraft facility repayable on demand, provided by J.P. Morgan Clearing Corp. Interest on the facility is charged at the Federal Funds open rate plus 45 basis points. Finance costs are apportioned 100% to capital in accordance with the policy set out under note 1(e) Expenses and finance costs on page 57.

(l) Operating segments

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the Board of Directors. The Directors are of the opinion that the Company is engaged in a single segment of business, being the investments business. The results published in this report therefore correspond to this sole operating segment.

In line with IFRS 8, additional disclosure by geographical segment has been provided in note 14 on page 67 of this Annual Report.

(m) Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company's contractual right to the cash flows from the asset expires or substantially all the risks and rewards of ownership are transferred. Financial liabilities are derecognised when the contractual obligation is discharged, with gains and losses recognised in the income statement.

(n) Standards, amendments and interpretations to existing standards become effective in future accounting periods and have not been adopted by the Company:

- IFRS 9 Financial Instruments – The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. It is not practicable to provide a reasonable estimate of the effect of the standard until a detailed review has been completed, however the adoption of IFRS 9 is unlikely to have a material effect on the classification and measurement of the Company's financial assets or liabilities.
- IFRS 15 Revenue from contracts with customers – The objective of IFRS 15 is to establish the principles that an entity shall report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contact with a consumer. Application of the standard of mandatory for annual reporting periods starting from 1 January 2018.

2. Income

	2017 £'000	2016 £'000
Investment income		
Overseas dividend income	1,823	1,820
Other income		
Other fee income	82	–
Total income	1,905	1,820

3. AIFM, portfolio management and performance fees

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
AIFM fee	–	1,190	1,190	–	1,266	1,266
Portfolio management fee	–	2,715	2,715	–	2,941	2,941
Performance fee/(provision written back)	–	–	–	–	(1,854)	(1,854)
	–	3,905	3,905	–	2,353	2,353

Further details of the AIFM, portfolio management fee and the performance fee basis can be found in the Report of the Directors on page 33.

4. Other expenses

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Directors' emoluments	189	–	189	172	–	172
AIFM fixed fee	60	–	60	60	–	60
Auditor's remuneration for the audit of the Company's financial statements	27	–	27	26	–	26
Auditor's remuneration for independent review of the half year accounts	7	–	7	7	–	7
Auditor's remuneration for tax compliance services	1	–	1	3	–	3
Legal and professional fees	1	–	1	25	–	25
Registrar fees	44	–	44	61	–	61
Depositary fees	61	–	61	66	–	66
Listing fees	27	–	27	26	–	26
Other costs	286	–	286	290	–	290
Total expenses	703	–	703	736	–	736

Details of the amounts paid to Directors are included in the Directors' Remuneration Report and the Directors' Remuneration Policy Report on pages 42 to 45.

5. Finance costs

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Bank overdraft interest	–	280	280	–	340	340
	–	280	280	–	340	340

6. Taxation

(a) Analysis of charge in the year:

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Overseas tax suffered	281	–	281	254	–	254
Total taxation for the year (see note 6(b))	281	–	281	254	–	254

6. Taxation continued

(b) Factors affecting total tax charge for year

Approved investment trusts are exempt from tax on capital gains made within the Company.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	Revenue £'000	Capital £'000	2017 Total £'000	Revenue £'000	Capital £'000	2016 Total £'000
Net profit on ordinary activities before taxation	1,202	97,376	98,578	1,084	(129,779)	(128,695)
Corporation tax at 20% (2016: 20%)	240	19,475	19,715	217	(25,956)	(25,739)
Effects of:						
Non-taxable (gains)/losses on investments	–	(20,312)	(20,312)	–	25,417	25,417
Non-taxable overseas dividends	(365)	–	(365)	(364)	–	(364)
Overseas taxes	281	–	281	254	–	254
Excess expenses unused	125	837	962	147	539	686
Total tax charge	281	–	281	254	–	254

(c) Provision for deferred tax

No provision for deferred taxation has been made in the current or prior year.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments, as it is exempt from tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset of £7,311,000 (17% tax rate) (2016: £6,876,000 (18% tax rate)) arising as a result of excess management expenses and loan relationship deficits. These excess expenses will only be utilised if the Company generates sufficient taxable income in the future.

7. Basic and diluted earnings/(loss) per share

The Return/(loss) per Ordinary Share is as follows:

	Revenue pence	Capital pence	2017 Total pence	Revenue pence	Capital pence	2016 Total pence
Earnings/(loss) per share	1.6	169.9	171.5	1.3	(209.4)	(208.1)

The total earnings per share of 171.5p (2016: loss 208.1p) is based on the total earnings attributable to equity shareholders of £98,297,000 (2016: loss £128,949,000).

The revenue gain per share 1.6p (2016: gain 1.3p) is based on the revenue gain attributable to equity shareholders of £921,000 (2016: revenue gain of £830,000). The capital gain per share of 169.9p (2016: loss 209.4p) is based on the capital gain attributable to equity shareholders of £97,376,000 (2016: loss £129,779,000).

The total earnings per share are based on the weighted average number of shares in issue during the year of 57,315,305 (2016: 61,972,355).

8. Investments held at fair value through profit and loss

All investments are designated as fair value through profit or loss on initial recognition, therefore all gains and losses arise on investments designated as fair value through profit or loss.

As at 31 March 2017, all investments with the exception of the unquoted investment in OrbiMed Asia Partners L.P. fund have been classified as level 1. OrbiMed Asia Partners L.P. fund has been classified as level 3. See note 13 beginning on page 63 for further details.

	2017 Listed Equity £'000	2017 Unquoted £'000	2017 Total £'000	2016 Total £'000
Cost at 1 April 2016	376,651	2,614	379,265	346,840
Investment holding gains at 1 April 2016	39,762	1,400	41,162	236,369
Valuation at 1 April 2016	416,413	4,014	420,427	583,209
Movement in the year				
Purchases at cost	288,955	–	288,955	386,664
Sales – proceeds	(351,431)	(386)	(351,817)	(424,162)
– gains on disposal	79,321	73	79,394	69,923
Net movement in investment holding gains	23,051	1,368	24,419	(195,207)
Valuation at 31 March 2017	456,309	5,069	461,378	420,427
Closing book cost at 31 March 2017	393,496	2,301	395,797	379,265
Investment holding gains at 31 March 2017	62,813	2,768	65,581	41,162
Valuation at 31 March 2017	456,309	5,069	461,378	420,427

	2017 £'000	2016 £'000
Gains/(losses) on investments:		
Gains on disposal based on historical cost	79,394	69,923
Amounts recognised as investment holding loss in previous year	(48,986)	(105,360)
Gains(losses) on disposal based on carrying value at previous financial position date	30,408	(35,437)
Net movement in investment holding gains in the year	73,405	(89,847)
Gains/(losses) on investments	103,813	(125,284)

The total transaction costs for the year were £472,000 (31 March 2016: £453,000) broken down as follows: purchase transaction costs for the year to 31 March 2017 were £238,000, (31 March 2016: £187,000), sale transaction costs were £234,000 (31 March 2016: £266,000). These costs consist mainly of commission.

9. Other receivables

	2017 £'000	2016 £'000
Future settlements – sales	–	4,556
Other debtors	15	26
Prepayments and accrued income	102	136
	117	4,718

10. Other payables

	2017 £'000	2016 £'000
Future settlements – purchases	–	9,340
Other creditors and accruals	1,235	1,049
	1,235	10,389

11. Ordinary share capital

	2017 £'000	2016 £'000
Allotted, issued and fully paid:		
55,839,913 shares of 25p (2016: 60,295,474)	13,960	15,074
No shares were held in treasury at 31 March 2017 (2016: nil)	–	–
	13,960	15,074

	2017 Issued & fully paid	2017 Treasury Shares	2017 Outstanding Shares	2016 Issued & fully paid	2016 Treasury Shares	2016 Outstanding Shares
At 1 April	60,295,474	–	60,295,474	68,886,347	4,997,831	63,888,516
Repurchase of own shares to be held in treasury	–	–	–	–	1,313,257	(1,313,257)
Cancellation of own shares held in treasury	–	–	–	(6,311,088)	(6,311,088)	–
Repurchase of own shares for cancellation	(4,455,561)	–	(4,455,561)	(2,279,785)	–	(2,279,785)
At 31 March	55,839,913	–	55,839,913	60,295,474	–	60,295,474

As at 31 March 2017 the Company had 55,839,913 shares of 25p in issue, no shares were held in treasury (2016: 60,295,474). During the year a total of 4,455,561 share were repurchased for cancellation by the Company at a cost of £29.7 million. Subsequent to the year end and to the date of this report no further shares were repurchased for cancellation.

12. Net asset value per share

	2017	2016
Net asset value per share	800.8p	627.9p

The net asset value per share is based on the net assets attributable to equity shareholders of £447,177,000 (2016: £378,567,000) and on 55,839,913 (2016: 60,295,474) shares in issue at 31 March 2017.

13. Risk management policies and procedures

As an investment trust, the Company invests in equities and other investments for the long term in order to achieve its investment objective as stated on page 10. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction or increase in the Company's net assets or in profits.

The Company's financial instruments comprise securities and other investments, cash balances, debtors and creditors and an overdraft facility that arise directly from its operations (for example, in respect of sales and purchases awaiting settlement).

The main risks the Company faces from its financial instruments are (i) market price risk (comprising currency risk, interest rate risk and other price risk (i.e. changes in market prices other than those arising from interest rate or currency risk)), (ii) liquidity risk and (iii) credit risk.

The Board reviews and agrees policies regularly for managing and monitoring each of these risks.

1. Market price risk:

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk.

13. Risk management policies and procedures continued

The Company's portfolio is exposed to market price fluctuations which are monitored by the AIFM and the Portfolio Manager in pursuance of the investment objective. Further information on the composition of the portfolio is set out on page 6.

No derivatives or hedging instruments are utilised to manage market price risk.

(a) Currency risk:

The Company's portfolio is denominated in currencies other than sterling (the Company's functional currency, and in which it reports its results). As a result, movements in exchange rates can significantly affect the sterling value of those items.

Management of risk

The AIFM and Portfolio Manager monitor the Company's exposure to foreign currencies on a continuous basis and report to the Board regularly. The Company does not hedge against foreign currency movements.

Income denominated in foreign currencies is converted into sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that the income is included in the financial statements and its receipt.

Foreign currency exposure

At the date of the Statement of Financial Position the Company held £452,980,000 (2016: £387,367,000) of investments denominated in U.S. dollars and £8,398,000 (2016: £33,060,000) in other non-sterling currencies.

Currency sensitivity

The following table details the sensitivity of the Company's profit or loss after taxation for the year to a 10% increase and decrease in the value of sterling compared to the U.S. dollar and other non-sterling currencies (2016: 10% increase and decrease).

The above percentages have been determined based on market volatility in exchange rates over the previous twelve months. The analysis is based on the Company's foreign currency financial instruments held at each Statement of Financial Position date, after adjusting for an increase/decrease in management fees. Movements in the performance fee accruals have been excluded from the analysis below.

If sterling had weakened against the U.S. dollar and other non-sterling currencies, as stated above, this would have had the following effect:

	2017 £'000	2016 £'000
Impact on revenue return	–	–
Impact on capital return	50,777	42,761
Total return after tax/effect on shareholders' funds	50,777	42,761

If sterling had strengthened against the U.S. dollar, as stated above, this would have had the following effect:

	2017 £'000	2016 £'000
Impact on revenue return	–	–
Impact on capital return	(41,545)	(34,986)
Total return after tax/effect on shareholders' funds	(41,545)	(34,986)

(b) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

13. Risk management policies and procedures continued

Interest rate exposure

The Company's main exposure to interest rate risk is through its overdraft facility with J.P. Morgan Clearing Corp which is repayable on demand.

At the year end financial liabilities subject to interest rate risk were as follows (there were no assets subject to interest rate risk).

	2017 £'000	2016 £'000
Financial liabilities:		
Overdraft facility	13,083	36,189

Interest rate sensitivity

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The Company has an overdraft facility with J.P.Morgan Clearing Corp disclosed above. The amount overdrawn at 31 March 2017 was £13,083,000 (2016: £36,189,000). Interest is charged at the Federal Funds Open rate plus 45 basis points. The level of interest fluctuates in line with the Federal Funds open rate and the amount of the overdraft. If the open rate increased by 1%, the impact on the profit or loss and net assets would be expected to be £131,000 (2016: £362,000).

(c) Other price risk

Other price risk may affect the value of the quoted investments.

If market prices at the date of the Statement of Financial Position had been 20% higher or lower (2016: 20% higher or lower) while all other variables had remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2017 would have increased/decreased by £91,399,000 (2016: £83,287,000), after adjusting for an increase or decrease in the AIFM and Portfolio management fees. The calculations are based on the portfolio valuations as at the respective Statement of Financial Position dates.

2. Liquidity risk:

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk

Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable within one week, in normal market conditions.

The Board gives guidance to the Portfolio Manager as to the maximum amount of the Company's resources that should be invested in any one company.

Liquidity exposure and maturity

Contractual maturities of the financial liabilities as at 31 March 2017, based on the earliest date on which payment can be required, are as follows:

	2017 3 months or less £'000	2016 3 months or less £'000
Overdraft facility	13,083	36,189
Amounts due to brokers and accruals	1,235	10,389
	14,318	46,578

13. Risk management policies and procedures continued

3. Credit risk:

Credit risk is the risk of failure of a counterparty to discharge its obligations resulting in the Company suffering a loss.

As noted on page 16, J.P. Morgan Clearing Corp may take assets with a value of up to 140% of the overdraft as collateral. Such assets held by J.P. Morgan Clearing Corp are available for rehypothecation†. As at 31 March 2017, the maximum value of assets available for rehypothecation was £18.3 million (31 March 2016: £50.7 million). As at this date, assets with a total market value of £7.8m were rehypothecated (2016: £49.3 million).

See page 16 of the Business Review for further details on the overdraft facility and the associated credit risk.

† See glossary on page 71.

Management of the risk

The risk is not significant and is managed as follows:

- by only dealing with brokers which have been approved by OrbiMed Capital LLC and banks with high credit ratings; and
- by investing in markets that operate DVP (delivery versus payment) settlement.
- all cash balances are held with approved counterparties. J.P. Morgan Clearing Corp is the custodian of the Company's assets and all assets are segregated from J.P. Morgan's own assets.

At 31 March 2017 the Company's exposure to credit risk amounted to £117,000 and was in respect of amounts due from brokers in relation to future settlements and other receivables, such as amounts due from brokers and accrued income (2016: £4,718,000).

Hierarchy of investments

As required under IFRS 13 "Fair Value Measurement", the Company has classified its financial assets designated at fair value through profit or loss using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2017 the investment in OrbiMed Asia Partners LP fund has been classified as Level 3. The fund has been valued at the net asset value as at 31 December 2016 and it is believed that the value of the fund as at 31 March 2017 will not be materially different. If the value of the fund was to increase or decrease by 10%, while all other variables had remained constant, the return and net assets attributable to shareholders for the year ended 31 March 2017 would have increased/decreased by £507,000 (2016: £401,000).

As of 31 March 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial investments designated at fair value through profit or loss	456,309	–	5,069	461,378

As of 31 March 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Financial investments designated at fair value through profit or loss	416,413	–	4,014	420,427

13. Risk management policies and procedures continued

Level 3 Reconciliation

Please see on the previous page a reconciliation disclosing the changes during the year for the financial assets and liabilities designated at fair value through profit or loss classified as being Level 3. There has been no transfer between fair value hierarchy levels.

	2017 £'000	2016 £'000
Assets As at 1 April	4,014	3,439
Net movement in investment holding gains during the year	1,441	789
Return of capital	(386)	(214)
Assets as at 31 March	5,069	4,014

Fair value of financial assets and financial liabilities:

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value or at a reasonable approximation of fair value.

Capital management

The Board considers the capital of the Company to be its issued share capital and reserves.

The Company's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the total return to its equity shareholders.

The Company's capital is disclosed in the Statement of Financial Position on page 53 and is managed on a basis consistent with its investment objective and policy as set out on pages 10 and 11.

Shares may be repurchased by the Company as explained on page 12.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

14. Segment reporting

Geographical segments

Region	2017 Value of investments £'000	2016 Value of investments £'000
North America	398,949	359,328
Europe	57,360	26,276
Asia	5,069	34,823
Total	461,378	420,427

15. Related parties

The following are considered to be related parties:

- Frostrow Capital LLP (under the Listing Rules)
- OrbiMed Capital LLC
- The Directors of the Company

A number of the partners at, and a former partner of OrbiMed Capital LLC have a minority financial interest totalling 20% in Frostrow Capital LLP, the Company's AIFM.

Further details of the relationship between the Company and Frostrow Capital LLP, the Company's AIFM and OrbiMed Capital LLC, the Company's Portfolio Manager, are disclosed in the Report of Directors on pages 33 and 34. During the year ended 31 March 2017 Frostrow Capital LLP earned £1,250,000 in respect of AIFM fees of which £309,000 was outstanding at the year end; during the year ended 31 March 2017, OrbiMed Capital LLC earned £2,715,000 in respect of Portfolio Management fees, of which £710,000 was outstanding at the year end. Mr Sven Borho is a Director of the Company, as well as a Partner at OrbiMed Capital LLC. During the year no performance fees crystallised (2016: nil). All material related party transactions have been disclosed on pages 42 and 43 and in notes 3 and 4 on page 60. Details of the remuneration of all Directors can be found on pages 42 to 45.

16. Capital reserve

	Capital reserves – other £'000	2017 Capital reserve – investment holdings gains/(losses) £'000	Total £'000	Capital reserves – other £'000	2016 Capital reserve – investment holdings gains/(losses) £'000	Total £'000
At 1 April	274,432	41,162	315,594	234,538	236,369	470,907
Transfer on disposal of investments	48,986	(48,986)	–	105,360	(105,360)	–
Net gains/(losses) on investments	30,408	73,405	103,813	(35,437)	(89,847)	(125,284)
Exchange losses	(2,252)	–	(2,252)	(1,802)	–	(1,802)
Expenses charged to capital	(4,185)	–	(4,185)	(2,693)	–	(2,693)
Repurchase of own shares to be held in Treasury	–	–	–	(10,241)	–	(10,241)
Repurchase of own shares for cancellation	(29,687)	–	(29,687)	(15,293)	–	(15,293)
At 31 March	317,702	65,581	383,283	274,432	41,162	315,594

Profits arising out of a change in fair value of assets, recognised in accordance with Accounting Standards, may be distributed provided the relevant assets can be readily convertible into cash. Securities listed on a recognised stock exchange are generally regarded as being readily convertible into cash. Under the terms of the revisions made to the Company's Articles of Association in 2013, sums within "Capital reserves – other" are also available for distribution.

17. Contingent liabilities and capital commitments

As at 31 March 2017 there were no contingent liabilities or capital commitments for the Company (2016: £nil).

Alternative Investments Fund Managers Directive (AIFMD) Disclosures (Unaudited)

Investment objective and leverage

A description of the investment strategy and objectives of the Company, the types of assets in which the Company may invest, the techniques it may employ, any applicable investment restrictions, the circumstances in which it may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and the maximum level of leverage which the AIFM and Portfolio Manager are entitled to employ on behalf of the Company and the procedures by which the Company may change its investment strategy and/or the investment policy can be found on pages 10 and 11.

The table below sets out the current maximum permitted limit and actual level of leverages for the Company:

	As a percentage of net assets	
	Gross Method	Commitment Method
Maximum level of leverage	130.0%	130.0%
Actual level at 31 March 2017	103.2%	103.2%

Remuneration of AIFM staff

Following completion of an assessment of the application of the proportionality principle to the FCA's AIFM Remuneration Code, the AIFM has disapplied the pay-out process rules with respect to it and any of its delegates. This is because the AIFM considers that it carries out non-complex activities and is operating on a small scale.

Further disclosures required under the AIFM Rules can be found within the Investor Disclosure Document on the Company's website: www.biotechgt.com.

Further Information / Shareholder Information

Financial calendar

31 March	Financial Year End
May	Final Results Announced
30 September	Half Year End
November	Half Year Results Announced
July	Annual General Meeting

Annual General Meeting

The Annual General Meeting of The Biotech Growth Trust PLC will be held at the Barber Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday 12 July, 2017 at 12 noon.

Share prices

The Company's Ordinary Shares are listed on the London Stock Exchange under 'Investment Companies'. The price is given daily in the Financial Times and other newspapers.

Change of address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrars, Capita Asset Services, under the signature of the registered holder.

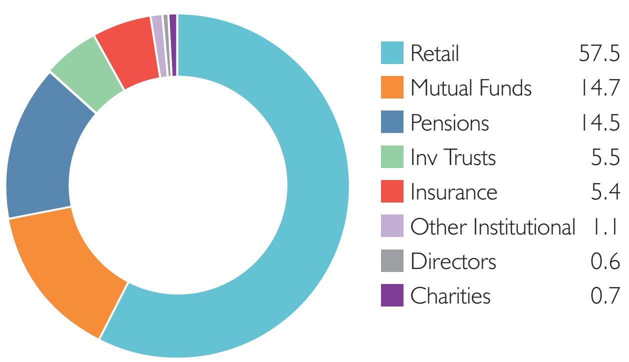
Daily Net Asset Value

The daily net asset value of the Company's shares can be obtained on the Company's website at www.biotechgt.com and is published daily via the London Stock Exchange.

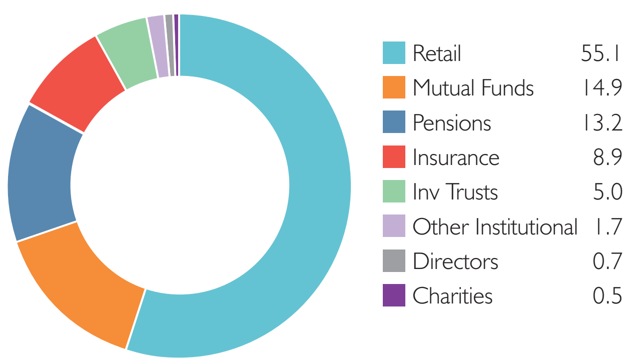
Profile of the Company's ownership

% of Ordinary Shares held at 31 March

2017



2016



Further Information / Glossary of Terms

AIC

Association of Investment Companies.

Alternative Investment Fund Managers Directive (AIFMD)

Agreed by the European Parliament and the Council of the European Union and transported into UK legislation, the AIFMD classifies certain investment vehicles, including investment companies, as Alternative Investment Funds (AIFs) and requires them to appoint an Alternative Investment Fund Manager (AIFM) and depositary to manage and oversee the operations of the investment vehicle. The Board of the Company retains responsibility for strategy, operations and compliance and the Directors retain a fiduciary duty to shareholders.

Discount or Premium

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

Gearing

Calculated using the Association of Investment Companies definition.
Gearing represents borrowings less cash and cash equivalents expressed as a percentage of shareholders' funds.

Leverage

The AIFM Directive (the "Directive") has introduced the obligation on the Company and its AIFM in relation to leverage as defined by the Directive. The Directive leverage definition is slightly different to the Association of Investment Companies method of calculating gearing and is as follows: any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions.

There are two methods for calculating leverage under the Directive – the Gross Method and the Commitment Method. The process for calculating exposure under each methodology is largely the same, except, where certain conditions are met, the Commitment Method enables instruments to be netted off to reflect 'netting' or 'hedging' arrangements and the entity exposure is effectively reduced.

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, less any liabilities. The NAV is also described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand and supply of the shares in the secondary market.

Ongoing Charges

Ongoing charges are calculated by taking the Company's annualised operating expenses expressed as a proportion of the average daily net asset value of the Company over the year.
The costs of buying and selling investments are excluded, as are interest costs, taxation, performance fees, cost of buying back or issuing ordinary shares and other non-recurring costs.

Rehypothecation

Rehypothecation is the practice by banks and brokers of using, for their own purposes, assets that have been posted as collateral by clients.

Treasury Shares

Shares previously issued by a company that have been bought back from Shareholders to be held by the Company for potential sale or cancellation at a later date. Such shares are not capable of being voted and carry no rights to dividends.

Further Information / How to Invest

Retail investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules in relationship to non-mainstream investment procedures and intends to continue to do so. The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Investment platforms

The Company's shares are traded openly on the London Stock Exchange and can be purchased through a stock broker or other financial intermediary. The shares are available through savings plans (including Investment Dealing Accounts, ISAs, Junior ISAs and SIPPs) which facilitate both regular monthly investments and lump sum investments in the Company's shares. There are a number of investment platforms that offer these facilities. A list of some of them, that is not comprehensive nor constitutes any form of recommendation, can be found below:

AJ Bell Youinvest	www.youinvest.co.uk/
Alliance Trust Savings	www.alliancetrustsavings.co.uk/
Barclays Stockbrokers	www.barclaysstockbrokers.co.uk/Pages/index.aspx
Bestinvest	www.bestinvest.co.uk/
Charles Stanley Direct	www.charles-stanley-direct.co.uk/
Club Finance	www.clubfinance.co.uk/
Fidelity	www.fidelity.co.uk/
Halifax Share Dealing	www.halifax.co.uk/Sharedealing/
Hargreave Hale	www.hargreave-hale.co.uk/
Hargreaves Lansdown	www.hl.co.uk/
HSBC	investments.hsbc.co.uk/
iDealing	www.idealing.com/
IG Index	www.igindex.co.uk/
Interactive Investor	www.iii.co.uk/
IWEB	www.iweb-sharedealing.co.uk/share-dealing-home.asp
James Brearley	www.jbrearley.co.uk/Marketing/index.aspx
James Hay	www.jameshay.co.uk/
Saga Share Direct	www.sagasharedirect.co.uk/
Selftrade	www.selftrade.co.uk/
The Share Centre	www.share.com/
Saxo Capital Markets	uk.saxomarkets.com/
TD Direct Investing	www.tddirectinvesting.co.uk/

Capita Asset Services – share dealing service

A quick and easy share dealing service is available to existing shareholders through the Company's Registrar, Capita Asset Services, to either buy or sell shares. An online and telephone dealing facility provides an easy to access and simple to use service.

There is no need to pre-register and there are no complicated forms to fill in. The online and telephone dealing service allows you to trade 'real time' at a known price which will be given to you at the time you give your instruction.

To deal online or by telephone all you need is your surname, investor code, full postcode and your date of birth. Your investor code can be found on your tax voucher or certificate. Please have the appropriate documents to hand when you log on or call, as this information will be needed before you can buy or sell shares.

Further Information / How to Invest

For further information on this service please contact:

www.capitadeal.com (online dealing)

Telephone: 0371 664 0445 (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate. Lines are open between 8.00 am – 4.30 pm, Monday to Friday excluding public holidays in England and Wales).

Risk warnings

- Past performance is no guarantee of future performance.
- The value of your investment and any income from it may go down as well as up and you may not get back the amount invested. This is because the share price is determined, in part, by the changing conditions in the relevant stockmarkets in which the Company invests and by the supply and demand for the Company's shares.
- As the shares in an investment trust are traded on a stockmarket, the share price will fluctuate in accordance with supply and demand and may not reflect the underlying net asset value of the shares; where the share price is less than the underlying value of the assets, the difference is known as the 'discount'. For these reasons, investors may not get back the original amount invested.
- Although the Company's financial statements are denominated in sterling, all of the holdings in the portfolio are currently denominated in currencies other than sterling and therefore they may be affected by movements in exchange rates. As a result, the value of your investment may rise or fall with movements in exchange rates.
- Investors should note that tax rates and reliefs may change at any time in the future.
- The value of ISA and Junior ISA tax advantages will depend on personal circumstances. The favourable tax treatment of ISAs and Junior ISAs may not be maintained.

Further Information / Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Biotech Growth Trust PLC will be held at Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL on Wednesday 12 July 2017 at 12 noon, for the following purposes:

Ordinary business

To consider and, if thought fit, pass the following as ordinary resolutions:

1. To receive and, if thought fit, to accept the Audited Financial Statements and the Report of the Directors for the year ended 31 March 2017
2. To approve the Directors' Remuneration Report for the year ended 31 March 2017
3. To approve the Directors' Remuneration Policy
4. To re-elect Andrew Joy as a Director of the Company
5. To re-elect Professor Dame Kay Davies, CBE as a Director of the Company
6. To re-elect Sven Borho as a Director of the Company
7. To re-elect Steven Bates as a Director of the Company
8. To re-elect The Rt Hon Lord Willetts as a Director of the Company
9. To elect Julia Le Blan as a Director of the Company
10. To re-appoint Ernst & Young LLP as Auditor to the Company and to authorise the Audit Committee to determine their remuneration

Special business

To consider and, if thought fit, pass the following resolutions of which resolutions 12, 13 and 14 will be proposed as special resolutions:

Authority to allot shares

11. THAT in substitution for all existing authorities the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to a maximum aggregate nominal amount of £1,395,997 (being 10% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed) and representing 5,583,991 shares of 25 pence each (or, if less, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed, by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Disapplication of pre-emption rights

12. THAT in substitution of all existing powers the Directors be and are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) including if immediately before the allotment, such shares are held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority conferred on them by resolution 13 set out in the notice convening the Annual General Meeting at which this resolution is proposed or otherwise as if section 561(1) of the Act

did not apply to any such allotment and to sell relevant shares (within the meaning of section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such sale, provided that this power shall be limited to the allotment of equity securities pursuant to:

(a) an offer of equity securities open for acceptance for a period fixed by the Directors where the equity securities respectively attributable to the interests of holders of shares of 25 pence each in the Company ("Shares") are proportionate (as nearly as may be) to the respective numbers of Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the Directors may consider necessary, appropriate, or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

(b) (otherwise than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £1,395,997 or, if less, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is passed,

and expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or 15 months from the date of passing this resolution, whichever is the earlier, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to repurchase ordinary shares

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("Shares") either for retention as treasury shares for future reissue, resale, transfer or for cancellation provided that:

(a) the maximum aggregate number of Shares authorised to be purchased is 8,370,402 (representing approximately 14.99% of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed);

(b) the minimum price (exclusive of expenses) which may be paid for a Share is 25 pence;

(c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the greater of (i) 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which that Share is purchased and (ii) the higher of the price of the last independent trade in shares and the highest then current independent bid for shares on the London Stock Exchange as stipulated in Article 5(1) of Regulation No. 2233/2003 of the European Commission (Commission Regulation of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments);

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or, if earlier, on the expiry of 15 months from the date of the passing of this resolution unless such authority is renewed prior to such time; and

(e) the Company may make a contract to purchase Shares under this authority before the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares in pursuance of any such contract.

Further Information / Notice of the Annual General Meeting

General meetings

14. THAT the Directors be authorised to call general meetings (other than Annual General Meetings) on not less than 14 working days' notice, such authority to expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, until expiry of 15 months from the date of the passing of this resolution.

By order of the Board

Frostrow Capital LLP
Company Secretary
25 May 2017

Registered office:
One Wood Street
London EC2V 7WS

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, a proxy may vote or abstain from voting at his/her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
3. To be valid any proxy form or other instrument appointing a proxy must be completed and signed and received by post or (during normal business hours only) by hand at Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 12 noon on 10 July 2017.
4. In the case of a member which is a company, the instrument appointing a proxy must be executed under its seal or signed on its behalf by a duly authorised officer or attorney or other person authorised to sign. Any power of attorney or other authority under which the instrument is signed (or a certified copy of it) must be included with the instrument.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered on the register of members of the Company (the "Register of Members") at the close of business on 10 July 2017 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) will be entitled to attend and vote or be represented at the meeting in respect of shares registered in their name at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 25 May 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 55,839,913 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 25 May 2017 are 55,839,913.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK and Ireland Limited ("CRESTCo"), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) no later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register of Members in respect of the joint holding (the first named being the most senior).

15. Members who wish to change their proxy instructions should submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

16. Members who have appointed a proxy using the hard-copy proxy form and who wish to change the instructions using another hard-copy form, should contact Capita Asset Services on 0871 664 0300 or 0371 664 0300 if calling from outside the United Kingdom. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00-17.30, Monday to Friday excluding public holidays in England and Wales.

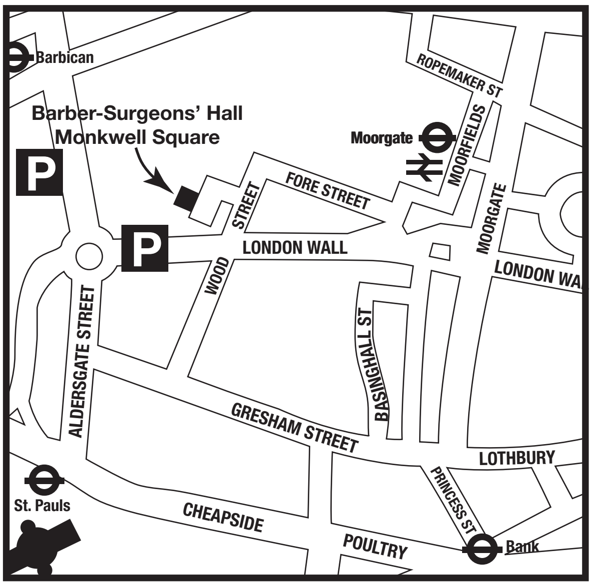
17. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

18. In order to revoke a proxy instruction, members will need to inform the Company. Members should send a signed hard copy notice clearly stating their intention to revoke a proxy appointment to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

    In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included with the revocation notice. If a member attempts to revoke their proxy appointment but the revocation is received after the time for receipt of proxy appointments (see above) then, subject to paragraph 4, the proxy appointment will remain valid.

LOCATION OF THE ANNUAL GENERAL MEETING

Barber-Surgeons' Hall, Monkwell Square, Wood Street, London EC2Y 5BL



Further Information / Explanatory Notes to the Resolutions

Resolution 1 – To receive the Annual Report and Accounts

The Annual Report and Accounts for the year ended 31 March 2017 will be presented to the Annual General Meeting. These accounts accompanied this Notice of Meeting and shareholders will be given an opportunity at the meeting to ask questions.

Resolutions 2 and 3 – Remuneration Report and Remuneration Policy

The Report on Directors' Remuneration is set out in full on pages 42 to 44. The Remuneration Policy is set out on page 45.

Resolutions 4 to 9 – Re-election of Directors

Resolutions 4 to 9 deal with the election and re-election of each Director. Biographies of each of the Directors can be found on pages 18 and 19.

The Board has confirmed, following a performance review, that the Directors standing for election and re-election continue to perform effectively.

Resolution 10 – Re-Appointment of Auditor and the determination of their remuneration

Resolution 10 relates to the re-appointment of Ernst & Young LLP as the Company's independent auditor to hold office until the next Annual General Meeting of the Company and also authorises the Audit Committee to set their remuneration.

Resolutions 11 and 12 – Issue of Shares

Ordinary Resolution 11 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £1,395,997 (equivalent to 5,583,991 shares, or 10% of the Company's existing issued share capital on 25 May 2017, being the nearest practicable date prior to the signing of this Report). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of the passing of the resolution, whichever is earlier. This means that the authority will have to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 551 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing shareholders. Special Resolution 12 will, if passed, give the Directors power to allot for cash equity securities up to 10% of the Company's existing share capital on 25 May 2017, as if Section 551 of the Act does not apply. This is the same nominal amount of share capital which the Directors are seeking the authority to allot pursuant to Resolution 11. This authority will also expire on the date of the next Annual General Meeting or after a period of 15 months, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 11 and 12 to allot shares and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting.

Resolution 13 – Share Repurchases

The Directors wish to renew the authority given by shareholders at the previous Annual General Meeting. The principal aim of a share buy-back facility is to enhance shareholder value by acquiring shares at a discount to net asset value, as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Further Information / Explanatory Notes to the Resolutions

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares.

Special Resolution 13 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue on 25 May 2017, being the nearest practicable date prior to the signing of this Report, (amounting to 8,370,402 shares). Such authority will expire on the date of the next Annual General Meeting or after a period of 15 months from the date of passing of the resolution, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting or earlier if the authority has been exhausted.

Resolution 14 – General Meetings

Special Resolution 14 seeks shareholder approval for the Company to hold General Meetings (other than the Annual General Meeting) on not less than at 14 working days' notice.

Recommendation

The Board considers that the resolutions relating to the above items of special business, are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to the shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming Annual General Meeting as the Directors intend to do in respect of their own beneficial holdings totaling 353,718 shares.

Further Information / Company Information

Directors

Andrew Joy (Chairman, and Chairman of the Nominations Committee)
Steven Bates (Chairman of the Management Engagement Committee)
Julia Le Blan
Sven Borho
Professor Dame Kay Davies, CBE (Senior Independent Director and Chairman of the Remuneration Committee)
Peter Keen (Chairman of the Audit Committee)
The Rt Hon Lord Willetts

Registered Office

One Wood Street
London EC2V 7WS

Website

www.biotechgt.com

Company Registration Number

03376377 (Registered in England)
The Company is an investment company as defined under Section 833 of the Companies Act 2006.
The Company was incorporated in England on 20 May 1997.
The Company was incorporated as Reabourne Merlin Life Sciences Investment Trust PLC.

Alternative Investment Fund Manager, Company Secretary and Administrator

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone: 0203 008 4910
E-Mail: info@frostrow.com
Website: www.frostrow.com
Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company or if you would like to receive a copy of the Company's monthly fact sheet by e-mail, please contact Frostrow Capital using the above e-mail address.

Portfolio Manager

OrbiMed Capital LLC
601 Lexington Avenue, 54th Floor
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Telephone: +1 212 739 6400
Website: www.orbimed.com
Registered under the U.S. Securities and Exchange Commission.

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Depositary

J.P. Morgan Europe Limited
25 Bank Street
London E14 5JP

Prime Broker

J.P. Morgan Clearing Corp.
Suite 1, Metro Tech Roadway
Brooklyn, NY11201
USA

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone (in UK): 0871 664 0300†
Telephone (from overseas): +44 371 664 0300†
E-Mail: shareholderenquiries@capita.co.uk
Website: www.capitaassetservices.com
Please contact the Registrars if you have a query about a certificated holding in the Company's shares.
†calls cost 12p per minute plus your phone company's access charge and may be recorded for training purposes. Calls outside the UK will be charged at the applicable international rate. Lines are open from 9.00 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

Stock Broker

Winterflood Securities Limited
The Atrium Building
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25 Dowgate Hill
London EC4R 2GA

Solicitors

Dechert LLP
160 Queen Victoria Street
London EC4V 4QQ

Identification Codes

Shares:	SEDOL:	0038551
	ISIN:	GB0000385517
	BLOOMBERG:	BIOG LN
	EPIC:	BIOG

Foreign Account Tax Compliance Act ('FATCA')

IRS Registration Number (GIIN): U1MQ70.99999.SL.826

Legal Entity Identifier

549300Z41EP32MI2DN29

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Copies of this annual report and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including braille, audio tape or larger type as appropriate. You can contact the Registrar to the Company, Capita Registrars, which has installed telephones to allow speech and hearing impaired people who have their own telephone to contact them directly, without the need for an intermediate operator, for this service please call 0800 731 1888. Specially trained operators are available during normal business hours to answer queries via this service. Alternatively, if you prefer to go through a 'typetalk' operator (provided by RNID) you should dial 18001 from your textphone followed by the number you wish to dial.

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