Investors Capital Trust plc

2011 Annual Report and Accounts

For the year to 31 March 2011

F&C Investments

Contents

aic
The Association of
Investment Companies

This document is important and requires your immediate attention. Shareholders who are in any doubt as to what action to take should consult an appropriate independent financial adviser immediately. If you have sold or otherwise transferred all of your Shares in the Company, you should immediately send this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for transmission to the purchaser or transferee.

Company Summary

The Company

The Company is an investment trust and its shares are listed on the London Stock Exchange. It is a member of the Association of Investment Companies ('AIC').

Assets attributable to shareholders at 31 March 2011 were £108.9 million.

Objective and Policy

To provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth.

The Company's portfolio is managed in two parts. The first part comprises investments in UK equities and equity-related securities of large and mid-sized companies (the Equities Portfolio) and the second part comprises investments in fixed interest and other higher yielding stocks and securities (the Higher Yield Portfolio).

The Company's investment policy is set out in the Report of the Directors.

Management

The Board has appointed F&C Investment Business Limited (the 'Manager') as investment manager. The notice period for termination of the contract between the Company and the Manager is 6 months. Further details of the management contract, including fees, are provided in the Notes to the Accounts.

Capital Structure

The Company's capital structure offers shareholders the opportunity to receive quarterly distributions in the form of either dividends, capital returns, or both, to suit their own particular circumstances. The Company has two classes of shares: A shares and B shares. The rights of each class are identical, save in respect of the right to participate in distributions of dividends and capital. The net asset value attributable to each class of shares is the same.

Only A shares are entitled to dividends paid by the Company. B shares, instead of receiving dividends, receive a capital distribution at the same time as, and in an amount equal to, each dividend paid on the A shares. For certain shareholders, there may be tax or other advantages in receiving a capital distribution rather than a dividend. Shares may be held and traded within units, each unit comprises three A shares and one B share.

In addition, the Company has a bank loan, on which the interest rate has been fixed through an interest rate swap, of £33.5 million for a term to 28 September 2012.

How to Invest

F&C Asset Management plc operates a number of investment plans which facilitate investment in the securities of the Company. Details are contained on page 52.

You may also invest through a stockbroker.

ISA Status

The Company's shares are eligible for ISAs.

Website

The internet address for the Company is www.investorscapital.co.uk

Telephone

F&C Investment Business Limited Investment Services 0845 600 3030

Financial Highlights for the Year

- Total distributions for the year to 31 March 2011 of 4.28p per share
- Distribution yield of 5.2 and 4.7 per cent on A and B shares respectively at 31 March 2011, compared to the yield on the FTSE All-Share Capped 5% Index of 2.9 per cent
- Net asset value total return per share for the year was 8.9 per cent, compared to the FTSE All-Share Capped 5% Index total return of 9.6 per cent

Performance Summary

	Year to 31 March 2011	Period from launch on 1 March 2007 to 31 March 2011
Total Return		
Net asset value total return per A and B share and per unit	**8.9%**	13.1%
FTSE All-Share Capped 5% Index	**9.6%**	13.0%

	Year to 31 March 2011	Year to 31 March 2010
Revenue and Distributions		
Distributions per A share and B share	**4.28p**	5.35p
Distributions per unit*	**17.12p**	21.40p
Revenue reserves	**£2.5m**	£1.9m
Equities Portfolio yield relative to FTSE All-Share Capped 5% Index	**128%**	123%

	31 March 2011	31 March 2010
Capital		
Total assets (less current liabilities)	**£144.4m**	£142.7m
Net asset value per A share and B share	**85.56p**	83.09p
Net asset value per unit*	**342.24p**	332.36p
FTSE All-Share Capped 5% Index	**3,191.40**	3,003.21
A share price	**82.0p**	80.0p
B share price	**91.5p**	89.5p
Unit price	**328.0p**	317.0p
(Discount)/Premium (% difference between price and net asset value)		
A shares	**(4.2)%**	(3.7)%
B shares	**6.9%**	7.7%
Unit	**(4.2)%**	(4.6)%
Gearing (100=nil geared position)†		
Maximum potential ratio	**132.6**	134.6
Actual ratio – investment gearing	**125.4**	124.6
– equity gearing	**96.1**	87.7
Total Expense Ratio		
as percentage of average shareholders' funds	**1.2%**	1.2%

	A shares		**B shares**		**Units**	
Year's Highs/Lows	**2010/11 High**	**2010/11 Low**	**2010/11 High**	**2010/11 Low**	**2010/11 High**	**2010/11 Low**
Net asset value per share	**87.1p**	**72.3p**	**87.1p**	**72.3p**	**348.4p**	**289.2p**
Share price	**85.5p**	**74.0p**	**93.5p**	**77.0p**	**337.0p**	**317.0p**
Premium/(discount)	**8.5%**	**(9.3)%**	**16.4%**	**(2.4)%**	**10.4%**	**(6.3)%**

* A unit consists of three A shares and one B share.

† The gearing ratio indicates the extra amount by which shareholders' funds would rise or fall if total assets were to rise or fall. A figure of 100 means that the Company has a nil geared position.
Maximum potential ratio = the ratio of total assets (including fixed interest and cash assets) to assets attributable to shareholders.
If securities held in the Company's Higher Yield Portfolio are included as fixed interest assets then the actual ratio will be as shown below.
Actual ratio (investment gearing) = the ratio of total assets (less cash assets) to assets attributable to shareholders.
Actual ratio (equity gearing) = the ratio of total assets (less fixed interest and cash assets) to assets attributable to shareholders.

Sources: F&C Investment Business Limited and Datastream

Chairman's Statement

I A McLaren Chairman

Investment Objective and Policy

The Company's investment objective is to provide an attractive return to shareholders in the form of dividends and/or capital distributions, together with prospects for capital growth.

The Company's investment portfolio is managed in two parts. The first part comprises investments in UK equities and equity related securities (the Equities Portfolio) and the second part investments in fixed interest and other higher yielding securities (the Higher Yield Portfolio). At 31 March 2011, 72.5 per cent. of total assets was allocated to the Equities Portfolio and 22.1 per cent. to the Higher Yield Portfolio. The remaining 5.4 per cent. was held as cash and cash equivalents.

Capital Structure

The Company has two classes of shares: A shares and B shares. The net asset value attributable to the A shares and to the B shares is the same. The rights of each class are identical, save that only the A shares are entitled to receive dividends, while the B shares instead receive a capital distribution at the same time as, and in an equal amount to, each dividend. For certain shareholders there will be tax and other advantages in receiving a capital distribution rather than a dividend. Shares may be held and traded within units, each unit comprising three A shares and one B share. The 'Capital Structure' section on page 13 of the Annual Report provides further information on the A and B shares.

The Company has a £33.5m loan facility for a term to 28 September 2012 at an effective rate of interest of 5.86 per cent. per annum.

Investment Performance

Over the course of the past year the global economy has emerged from one of the sharpest downturns in post-war history. Despite the unprecedented level of monetary and fiscal stimulus the ongoing economic recovery remains fragile. Following the financial crisis developed Western economies have been left burdened by high levels of indebtedness and record fiscal deficits while in contrast the emerging market economies, most notably in Asia, have continued to enjoy robust growth. The shift of economic and political power has continued to move from West to East.

Returns from financial markets during the last year have been more muted than the previous year when risk assets rebounded sharply from their lows in anticipation of the turn in the economic cycle. Nevertheless it is encouraging to report that both equity and credit markets made further progress over the course of the year. There was a marked divergence in performance between higher yielding and lower yielding shares during the year. As confidence in the economic recovery grew, lower yielding, more growth orientated shares outperformed their higher yielding counterparts. The Company has a bias towards higher yielding companies which have strong balance sheets, visibility of earnings and good dividend cover. The Company's Equities Portfolio produced a total return of 8.8 per cent. during the year to 31 March 2011, while the Higher Yield Portfolio returned 6.0 per cent.

Returns from the Equities Portfolio and the Higher Yield Portfolio, combined with the effect of gearing, resulted in a net asset value total return for the A and B shares of 8.9 per cent. This return is

Chairman's Statement (continued)

behind the 9.6 per cent. total return for the FTSE All-Share Capped 5% Index, the Company's benchmark. Since the Company's launch in 2007 both the net asset value total return and the Equities Portfolio total return remain ahead of the benchmark index.

Earnings

The Company achieved total revenue income of £6.5m for the year. The yield on the Equities Portfolio was 3.7 per cent. as at 31 March 2011, compared to the yield on the FTSE All-Share Capped 5% Index of 2.9 per cent.

The Company's revenue for the year was broadly the same as that earned during the previous financial year. The Equities Portfolio delivered an increased level of dividend income, enhanced by special dividends, which offset a reduction in the level of income from the Higher Yield Portfolio. The change in the mix of revenue was largely a result of the decision to allocate assets from the Higher Yield Portfolio to the Equities Portfolio. The lower level of deposit interest was a function of less cash held on deposit and continued low rates of interest.

The overall level of dividends paid by the UK market has come under significant pressure in recent years. The economic downturn which began in 2008 was one of the sharpest on record and resulted in a flurry of dividend cuts, most notably from the banking sector. This was followed by the cancellation of BP's dividend in the wake of the Deepwater Horizon oil spill. At that time the BP dividend on its own accounted for in excess of 10 per cent. of UK market dividend income and, although it was reinstated in January this year, this was at half the previous level. While recognising the importance of dividends for shareholders, against this background in July 2010 the Board felt it prudent to revise the Company's dividend to a more sustainable level for the year to 31 March 2011 and to build revenue reserves for the future.

The ongoing recovery in corporate profits during the year has been reflected in an improvement in the rate of dividend growth from the UK market. The initial caution shown by company management in assessing the sustainability of the recovery appears to be slowly dissipating. While the overall level of UK market dividends remains below that of last year, strong corporate sector profitability together with healthy balance sheets lends support to continued growth in dividends in the year ahead.

The US dollar exchange rate has a significant bearing on the level of the UK market dividends as approximately one-third of dividends paid by UK-listed companies are paid in US dollars. In this context the strengthening of Sterling against the US dollar since May 2010 has been unhelpful, although over the course of the year the average rate was broadly similar to that of the prior year. The Company also invests in corporate bonds which are both US dollar and Euro denominated.

Income from the Higher Yield Portfolio, which comprised predominantly investment grade corporate bonds, was below the level earned in the previous period. As a result of the decline in gross redemption yields over the last two years the re-investment of maturing corporate bonds lowers the overall yield on the Higher Yield Portfolio. However, the majority of the reduction in income was accounted for by the allocation of assets from the Higher Yield Portfolio to the Equities Portfolio, as noted above.

After providing for the fourth quarter dividend, the Company had revenue reserves of £1.4m at 31 March 2011.

Dividends and Capital Returns

Dividends to A shareholders and capital distributions to B shareholders are paid quarterly in August, November, February and May each year. In respect of the distributions for the Company's first three quarters, the dividends paid on the A shares and capital distributions on the B shares were 1.06p per share for each quarter. A fourth quarter dividend of 1.1p per share was paid to A shareholders and a capital distribution of the same amount to

B shareholders on 6 May 2011. This results in a dividend/capital distribution of 4.28p per share in respect of the year to 31 March 2011. This represents a reduction over the previous year. The reasons for this were set out in the interim report to shareholders in November 2010 and are covered again in the Earnings section of this statement. The Board expects to pay an unchanged distribution in the year ahead. This represents a distribution yield for A shareholders of 5.2 per cent. and for B shareholders of 4.7 per cent., based on the A share price of 82.0 pence and the B share price of 91.5 pence as at 31 March 2011. These yields compare favourably with the yield on the FTSE All-Share Capped 5% Index of 2.9 per cent at that date. For shareholders that hold units, the estimated distribution yield was 5.2 per cent. based on a unit price of 328.0 pence as at 31 March 2011.

The Company operates a distribution reinvestment scheme, details of which are available from the Company's Registrars, to enable B shareholders to reinvest their capital distributions in further B shares if they wish.

Discount and buy backs

The Company's A share price was at a discount to net asset value of 4.2 per cent. at 31 March 2011. The Company's B shares were at a premium to net asset value of 6.9 per cent at the same date. Over the year, the price of the Company's A shares traded at an average discount to net asset value per share of 0.3 per cent. and the Company's B shares traded at an average premium of 5.4 per cent. The Company has a stated buy back policy and, in accordance with this policy, the Company bought back 400,000 A shares during the year at an average discount of 5 per cent. to net asset value, thereby adding value for existing shareholders.

Directors

I was appointed as Chairman of the Board from 1 January 2011, following the retirement of Martin Haldane. I would like to pay tribute to Martin for the dedicated service and wise counsel he provided as both a Director and Chairman of the Company and the predecessor company. The Board has appointed Mrs Julia Le Blan as a Director with effect from 1 January 2011. She is a chartered accountant and until her retirement was a tax partner at Deloitte. I am pleased to welcome her to the Board and believe her experience, in particular in financial matters, will contribute significantly to the Board's deliberations. On her appointment, Mrs Le Blan became chairman of the Audit Committee.

Outlook

The outlook for the global economy has improved steadily over the last year although significant headwinds remain. The unwinding of high levels of personal and national debt in developed economies is likely to take many years and constrain the rate of economic growth in the future. There are still risks within European sovereign debt markets and the recent tragic events in Japan are likely to further dampen economic prospects this year. It is reassuring that the UK corporate sector is in good health and that equity valuations remain undemanding particularly when compared against government bonds and cash.

Iain McLaren
Chairman
10 May 2011

Investment Managers and Investment Process

Rodger McNair
Lead Investment Manager

Gary Thomson
Investment Manager

Michael Campbell
Company Secretary

Rodger McNair
Lead Investment Manager
He heads the UK investment team in Edinburgh. He has over 23 years' investment experience and was appointed lead manager of the predecessor Investors Capital Trust in June 1999.

Gary Thomson
Investment Manager
He works in the UK investment team in Edinburgh. He has over 12 years' investment experience and assists in the management of Investors Capital Trust.

Michael Campbell
Company Secretary
He is a chartered accountant and has provided company secretarial services to Investors Capital Trust and its predecessor since 1995.

Investment Managers

Investors Capital Trust plc is managed by F&C Investment Business Limited, a wholly owned subsidiary of F&C Asset Management plc (F&C). F&C is a leading asset manager in both the UK and Europe with some £106.1 billion (at 31 March 2011) of funds under management. F&C is a company listed on the London Stock Exchange.

F&C provides management and other services to a range of investment trust clients.

Investment Process

The investment portfolio of Investors Capital Trust is split into an Equities Portfolio and a Higher Yield Portfolio.

Equities Portfolio

The Equities Portfolio is a portfolio of predominantly large and mid-sized capitalisation UK equities selected from the FTSE All-Share Index.

The investment philosophy is based on the knowledge that equity investment is one of the most reliable methods of preserving and growing capital over time.

Favoured companies are those which have the ability to sustain above-average growth in earnings and dividends over the longer term, have strong balance sheets and interest cover, are inherently cash-generative and have a stable and proven management team.

The style of management is to make long-term strategic investments; however the basic approach does not preclude the taking of a more pragmatic view of the valuation of companies through the business cycle.

Investors Capital Trust has a relatively concentrated portfolio and typically has modest portfolio turnover.

Higher Yield Portfolio

Day-to-day management of the fixed interest investments in the Higher Yield Portfolio is undertaken by the F&C Investment Business Limited specialist fixed interest team. The Higher Yield Portfolio is invested predominantly in corporate bonds. A disciplined in-house credit analysis process is adopted.

Manager's Review

Economic & Market Review

One of the key developments during the Company's financial year was the extraordinary turmoil in European sovereign debt markets. This crisis, which began in early 2010, was to weigh on financial markets throughout the Company's year. However, steadily improving confidence in a sustained recovery in the global economy together with strong profits growth from the corporate sector provided the impetus for equity markets to move higher over the year. For the year to 31 March 2011 the FTSE All-Share Capped 5% Index produced a total return of 9.6 per cent.

Equity markets began the year on a positive footing, however they endured an early set-back through April and May as fears intensified over an escalation of the Greek debt crisis and uncertainty over the prospect of the first hung parliament in the UK since the 1970's. The slow initial response of Eurozone governments to the situation in Greece fuelled fears of contagion to other indebted Eurozone countries and consequently a much wider sovereign debt crisis. Policymakers regained the initiative with the announcement of a rescue package backed by European member states and the International Monetary Fund. This was sufficient to stabilise financial markets and ease investor concerns although eventually Greece, Ireland and Portugal would require financial assistance and Spain would have its credit rating cut. Ultimately, the Eurozone is likely to need a more comprehensive solution than currently exists to deal with ongoing debt problems, perhaps involving a greater degree of political centralisation and fiscal integration, if the single currency is to survive.

Fears over the implications of a hung parliament in the UK proved to be overdone. In June the Conservative and Liberal Democrat coalition government announced a combination of tax increases and spending cuts as part of their plan to cut the fiscal deficit. While the emergency budget represented one of the biggest fiscal adjustments in the post-war era it was generally well received by business and, perhaps more importantly, had a positive effect on investor confidence. In demonstrating its commitment to reduce the fiscal deficit, the coalition government strengthened its credibility within international markets.

Despite the unprecedented level of fiscal and monetary stimulus applied to developed economies in recent years the global recovery, which began in late 2009, has remained fragile. The major developed economies have been constrained under enormous debt burdens and fiscal deficits; the debts that pushed the financial system close to meltdown have not disappeared but have been assumed by the public sector. Economic recovery has been narrow with little in the way of job growth or credit expansion. In contrast emerging markets, most notably in Asia, have continued to enjoy robust growth.

Against a background of ongoing economic uncertainty and growing concern over the elevated level of inflation, the Bank of England maintained base rates at 0.5 per cent, a historically low level, throughout the year and continued to execute its £200 billion quantitative easing program. It was hoped this process of purchasing financial assets, mainly gilts, would expand the money supply, lower longer term interest rates and encourage bank lending.

Inflation has been well above target for most of the last two years as strong growth from emerging economies such as China and India has fuelled demand for commodities. Global oil prices have risen to in excess of $100 a barrel while food prices have risen sharply due to a combination of growing demand and supply disruption. This has contributed to the recent social, political and economic upheaval in the Middle East and North Africa. Inflation is likely to remain high throughout the balance of this year. In the medium term, with unemployment close to 8% and little sign of wage pressure, the Bank of England argues that this is transitory and the medium term outlook is more encouraging. Nevertheless, it is possible that we will see structurally higher inflation in coming years than we have seen over the last decade, when the impact of globalisation was deflationary.

Despite lingering economic uncertainty the corporate sector has continued to deliver good financial results driven by a combination of aggressive cost cutting and revenue growth. The UK equity market, while remaining volatile, recovered the ground lost at the start of the year to finish in positive territory. In contrast, fixed interest markets rallied strongly during the first half of the year boosted by quantitative easing on both sides of the Atlantic. Corporate bond and gilt yields rose during the second half of the year as confidence in the economic recovery improved and concerns over inflation intensified. Over the course of the year gilt yields fell slightly while investment grade bond yields rose as

Manager's Review (continued)

spreads widened. Non investment grade bond markets improved during the year helped by a continued decline in the rate of corporate defaults.

Portfolio Review

Returns from the Equities Portfolio and the Higher Yield Portfolio, combined with the effect of gearing, resulted in a net asset value total return of 8.9 per cent. over the year to 31 March 2011. This compares with a return of 9.6 per cent for the FTSE All-Share Capped 5% Index, the Company's benchmark.

We believe that a key driver of share prices over the long term is the ability of a company to deliver sustainable real growth in dividends. Consequently within the Equities Portfolio we favour companies that have strong balance sheets, generate excess cash flow beyond the needs of the business and have a proven management team with a commitment to dividend growth.

During the year there was a marked divergence in performance between lower yielding, more growth orientated shares and those more mature businesses which offer higher yields, reflecting strengthening conviction in economic recovery. By way of illustration, the total return from the FTSE 350 lower yield index was 10.0 per cent for the year compared with an equivalent total return of 6.6 per cent for the FTSE 350 higher yield index. Clearly this general trend was unhelpful given our bias towards companies which offer an above-average yield. However, as authorities transition from the highly expansionary monetary policies of recent years to a more neutral policy stance we believe the attractions of stocks with earnings resilience, strong balance sheets and premium dividend yields will return.

The emphasis placed on investing in businesses which offer an attractive yield together with the prospect of real dividend growth resulted in us maintaining an underweight exposure to financial stocks generally and in particular the more domestically focused UK banks. HSBC, which offers international exposure, remains our largest holding within this sector. Conversely the portfolio bias to Tobacco, Utilities and Pharmaceuticals, all of which offer attractive dividend yields, remains. With funding costs low the volume of merger and acquisition activity picked up during the year. Within our portfolio VT Group was acquired by Babcock International, International Power merged with GDF Suez and Wood Group divested its Well Support Division to GE.

The Higher Yield Portfolio is invested in a diversified corporate bond portfolio with a strong bias towards investment grade issues. This portfolio has a relatively short maturity profile thereby limiting the sensitivity of the portfolio to future changes in interest rates. The total return from the Higher Yield Portfolio for the year was 6.0 per cent. This was a much lower return than was achieved in the Company's previous financial year, reflecting the substantial recovery that credit markets experienced during that period.

The Company further reduced its exposure to both cash and credit in favour of equities throughout the year.

Outlook

The UK equity market has recovered substantially from the lows of early 2009 as conviction in the durability of the global economic recovery has increased. In last year's report we highlighted the need for policymakers to rein in the highly expansionary monetary policies which have been adopted in most major economies to support the recovery in financial markets. This has taken longer than anticipated, however, we expect this process will begin this coming year. Against a background of continued high levels of public and private indebtedness and fiscal retrenchment it is likely that economic growth in the developed world, including the UK, will remain constrained. Other challenges also remain. Sovereign debt issues in Europe remain unresolved and the geo-political situation in the Middle East and North Africa remains fluid.

Despite these challenges equity market fundamentals remain supportive. There has been strong growth in both corporate profits and cash flow over the last year and corporate balance sheets, in contrast to the public sector, are generally robust. The UK corporate sector is also well diversified with the majority of earnings coming from international markets where growth prospects are better. Against that background we believe that our equity bias towards international companies with earnings visibility, strong balance sheets and attractive dividend yields will serve investors well.

Rodger McNair
Investment Manager
F&C Investment Business Limited
10 May 2011

Classification of Investments

Total Portfolio Summary (at 31 March 2011)

	2011 Market Value £'000	% of Total Assets	% of Total Portfolio Income	% Yield
Equities Portfolio	104,573	72.5	65.9	3.7
Higher Yield Portfolio	31,951	22.1	33.1	5.4
Net Current Assets	7,845	5.4	1.0	
Total Assets (less Current Liabilities)	144,369	100.0	100.0	
Bank Term Loan & Interest Rate Swap	(35,509)	(24.6)		
Net Assets Attributable to Shareholders	108,860	75.4		

Equities Portfolio

Sector	2011 % Equities Portfolio	2011 FTSE All-Share Capped 5% Index
Oil & Gas	14.0	15.3
Basic Materials	12.0	14.2
Industrials	7.6	7.8
Consumer Goods	14.0	11.7
Healthcare	9.0	7.1
Consumer Services	14.5	9.8
Telecommunications	6.6	6.3
Utilities	9.9	3.9
Financials	11.2	22.1
Technology	1.2	1.8
Total	100.0	100.0

Higher Yield Portfolio

Security Ratings	2011 Higher Yield Portfolio Weighting %
AAA	1.7
AA	10.0
A	36.4
BBB	31.8
BB	9.8
B	4.3
CCC or lower	2.3
Not rated	3.7
	100.0

Equities Portfolio

At 31 March 2011

Company	Market value 31 March 2010 £'000	**Market value 31 March 2011 £'000**	**% of Equities Portfolio**
Vodafone Vodafone is the largest global provider of mobile telecommunications services.	4,561	**6,138**	**5.9**
Royal Dutch Shell Royal Dutch Shell is one of the world's largest integrated oil and gas companies.	4,364	**5,921**	**5.7**
GlaxoSmithKline GlaxoSmithKline is a global manufacturer and marketer of pharmaceutical products.	5,805	**5,602**	**5.3**
Rio Tinto Rio Tinto is an international mining company.	4,323	**5,308**	**5.1**
HSBC HSBC provides a comprehensive range of banking and related financial services on a global basis.	5,226	**5,015**	**4.8**
British American Tobacco British American Tobacco is involved in the manufacture, marketing and selling of cigarettes and other tobacco products.	5,184	**4,809**	**4.6**
BHP Billiton BHP Billiton is an international resources company whose principal business lines are mineral exploration and production.	3,537	**4,256**	**4.1**
BP BP is one of the world's largest integrated oil and gas companies.	5,240	**4,093**	**3.9**
BG Group BG Group specialises in the exploration, production, transmission and distribution of gas, oil and liquefied natural gas.	2,315	**3,669**	**3.5**
National Grid National Grid is a UK and US regulated energy network operator.	2,587	**3,357**	**3.2**
Ten largest equity investments		**48,168**	**46.1**

Company	Sector	Market Value 31 March 2011 £'000	% of Equities Portfolio
AstraZeneca	Pharmaceuticals & Biotech	3,152	3.0
Anglo American	Mining	2,936	2.8
Scottish & Southern Energy	Electricity	2,858	2.7
Diageo	Beverages	2,593	2.5
Reckitt Benckiser	Household Goods	2,456	2.3
Unilever	Food Producers	2,182	2.1
Compass Group	Travel & Leisure	2,089	2.0
Bunzl	Support Services	1,839	1.8
Tesco	Food Retailers	1,703	1.6
BAE Systems	Aerospace & Defence	1,534	1.5
Twenty largest equity investments		**71,510**	**68.4**
Centrica	Gas, Water & Multi-Utilities	1,504	1.4
Severn Trent	Gas, Water & Multi-Utilities	1,369	1.3
William Hill	Travel & Leisure	1,326	1.3
International Power	Electricity	1,298	1.2
Rexam	General Industrial	1,280	1.2
Sage Group	Software & Computer Services	1,275	1.2
Whitbread	Travel & Leisure	1,260	1.2
Reed Elsevier	Media	1,256	1.2
Imperial Tobacco	Tobacco	1,196	1.2
Cobham	Aerospace & Defence	1,154	1.1
Thirty largest equity investments		**84,428**	**80.7**
Standard Chartered	Banks	1,127	1.1
Land Securities	Real Estate	1,125	1.1
British Sky Broadcasting	Media	1,101	1.1
Marks & Spencer	General Retailers	1,082	1.0
Prudential	Life Insurance	1,070	1.0
SABMiller	Beverages	1,066	1.0
Carnival	Travel & Leisure	1,058	1.0
Standard Life	Life Insurance	1,019	1.0
Aviva	Life Insurance	949	0.9
John Wood Group	Oil Equipment Services	922	0.9
Forty largest equity investments		**94,947**	**90.8**
Morrison (Wm) Supermarkets	Food Retail	883	0.8
United Business Media	Media	877	0.8
FirstGroup	Travel & Leisure	852	0.8
Babcock International Group	Support Services	821	0.8
BT Group	Fixed Line Telecom	746	0.7
Smith & Nephew	Healthcare	695	0.7
Daily Mail	Media	691	0.7
Pearson	Media	600	0.6
Smiths Group	General Industrial	575	0.6
Lloyds Banking Group	Banks	562	0.5
Fifty largest equity investments		**102,249**	**97.8**
Other equity investments (7)		**2,324**	**2.2**
Total equity investments		**104,573**	**100.0**

Higher Yield Portfolio

At 31 March 2011

Security	Sector	Market Value 31 March 2011 £'000	% of Higher Yield Portfolio
Iron Mountain 7.25% 15/04/14	Support Services	759	2.4
Land Securities 4.625% 03/02/13	Real Estate Investment Trust	650	2.0
Ineos 7.875% 15/02/16	Chemicals	595	1.9
Paragon Group 7% 20/04/17	Mortgage Banks & Thrifts	573	1.8
Marstons FRN 15/07/20	Restaurants & Bars	442	1.4
Kraft Food 5.75% 20/03/12	Food – Wholesale	412	1.3
France Telecom 6% 29/03/12	Telecom – Integrated/Services	399	1.2
Yorkshire Water 6.5876% 21/02/23	Utilities	396	1.2
UBS 6.375% 20/07/16	Banking	391	1.2
Macquarie Bank FRN 06/12/16	Banking	379	1.2
Ten largest higher yield investments		**4,996**	**15.6**
Altria Group 8.5% 10/11/13	Tobacco	371	1.2
Permanent Master 15/07/42	Mortgage Backed	369	1.2
Investec Bank 9.625% 17/02/22	Banking	367	1.1
Sutton Bridge 8.625% 30/06/22	Electric – Generation	367	1.1
Marks & Spencer 5.875% 29/05/12	Specialty Retail	363	1.1
GE Capital 6% 11/04/13	Financial Services	361	1.1
Warner Music 8.125% 15/04/14	Media – Services	346	1.1
SLM 4.875% 17/12/12	Financial Services	343	1.1
Santander 6.5325% 24/10/17	Banking	340	1.1
Southern Gas FRN 21/10/15	Gas Distribution	340	1.1
Twenty largest higher yield investments		**8,563**	**26.8**
Bupa Finance 7.5% 04/07/16	Life Insurance	340	1.1
Society of Lloyds 6.875% 17/11/25	Multi-Line Insurance	338	1.1
Casino 6.375% 04/04/13	Food & Drug Retailers	329	1.0
Dr Pepper 6.12% 01/05/13	Beverage	329	1.0
Vodafone 4.625% 15/07/18	Telecom – Wireless	325	1.0
Smurfit Kappa Acquisition 7.75% 15/11/19	Forestry/Paper	325	1.0
BP Capital 3.875% 10/03/15	Integrated Energy	324	1.0
Royal Bank of Scotland 6.375% 29/04/14	Banking	318	1.0
Diageo Finance 5.2% 30/01/13	Food – Wholesale	316	1.0
Standard Chartered 6% 25/01/18	Banking	310	1.0
Thirty largest higher yield investments		**11,817**	**37.0**
Xstrata Canada Finance 6.25% 27/05/15	Metals/Mining Excluding Steel	306	1.0
Skandinaviska Enskilda 6.625% 09/07/14	Banking	275	0.9
BL Superstore Finance FRN 04/10/15	Commercial Mortgage Backed	273	0.8
International Endesa 6.125% 05/07/12	Electric – Integrated	260	0.8
QBE Insurance Group 10% 14/03/14	P&C	260	0.8
Pearson 5.5% 06/05/13	Media – Diversified	254	0.8
ANZ 6.54% 15/06/12 Perpetual	Banking	253	0.8
Lloyds 6.9625% 29/05/20	Banking	249	0.8
Finance for Danish Industries 6% 06/02/12	Banking	242	0.7
Wells Fargo 6% 23/05/13	Banking	236	0.7
Forty largest higher yield investments		**14,425**	**45.1**
Other higher yield investments (133)		**17,526**	**54.9**
Total higher yield investments		**31,951**	**100.0**

Capital Structure

At 31 March 2011

The Company has a capital structure comprising A shares and B shares. In addition, the Company has a bank loan.

The Company's capital structure offers shareholders the opportunity to receive quarterly returns in the form of either dividends, capital returns, or both, to suit their own particular circumstances.

The Company has two classes of shares: A shares and B shares. The rights of each class of shares are identical, save in respect of the right to participate in dividends and capital distributions. Irrespective of these distribution rights, the net asset value attributable to each class of shares is the same.

Only A shares carry a right to participate in dividends paid by the Company. B shares are not entitled to dividends but each B share instead carries the right to receive a capital distribution at the same time as, and in an amount equal to, each dividend paid in respect of A shares.

For certain shareholders, there may be tax or other advantages in receiving a capital distribution rather than a dividend. Dividends paid on the A shares will be taxed on receipt in the normal way for dividends. Capital distributions received on B shares will fall to be taxed in accordance with the rules relating to the taxation of chargeable gains (see further information below) for non-corporate holders (including individuals).

It is the Company's policy to maintain the ratio of A shares to B shares (excluding shares held in Treasury) within the range 72.5 : 27.5 and 77.5 : 22.5.

These two securities can be traded together in the form of a unit with each unit consisting of three A shares and one B share.

Bank Loan Facility

The Company has a sterling term bank loan in the amount of £33.5 million which matures on 28 September 2012. The rate of interest has been fixed at 5.8635 per cent per annum through an interest rate swap with the same terms and maturity as the bank loan. The returns of both the A shares and B shares are geared by this bank loan.

Further information on the B Shares

What is different about the B shares?

The B shares are just like any other ordinary share except that, instead of dividends, B shareholders receive capital distributions, so B shareholders will receive the same amount of cash on a quarterly basis as A shareholders, but when it comes to the tax on these capital distributions there are potential benefits. Effectively, no UK tax is due on receipt of the capital distributions. So a higher rate taxpayer, for example, will not be liable on receipt to the additional income tax that would normally be applicable on receipt of a dividend. This is because the capital distribution is taxed under UK Capital Gains Tax ('CGT') rules rather than Income Tax rules for non-corporate holders (including individuals). It is only when the B shares are disposed of that the capital distributions received need to be taken into account as part of the CGT disposal calculation. From 22 June 2010, a flat rate of Capital Gains Tax applies of 18 per cent on disposals (28 per cent for higher rate taxpayers). If the shares continue to be held until death, no CGT arises in respect of the capital distributions. The value of the holding will, however, be taken into account for Inheritance Tax purposes, if applicable.

Further details are available on the website: **www.investorscapital.co.uk**

Capital Structure (continued)

Reinvestment of returns.

If you hold the B shares on the main shareholder register, there is a distribution reinvestment scheme which allows you, if you wish, to reinvest the capital distributions in further B shares rather than receive the cash. Such reinvestment will be made through a market purchase of existing shares. Please note that stamp duty of 0.5 per cent will be payable on the purchase of further shares.

A summary of the tax benefits.

The capital distributions paid on the B shares will be taxed for individuals under CGT rules rather than Income Tax rules. Holders of B shares therefore have more scope for tax planning (for example, by selling shares within the annual CGT exempt amount, or by offsetting gains against capital losses).

UK tax is not, in normal circumstances, due on receipt of the quarterly capital distributions and you do not need to include them on your tax return. Instead, when you dispose of B shares, an amount equivalent to the capital distributions you have received is deducted from the tax base cost as part of the CGT calculation. This treatment applies because the quarterly sums are treated as 'small capital receipts' under CGT rules; being either less than 5 per cent of the market value of the B shareholding at the date of receipt or less than £3,000.

An individual B shareholder's annual exempt amount for CGT purposes is not reduced or prejudiced by this treatment of capital distributions. Non-UK resident shareholders will not be subject to UK tax on capital distributions, although local tax could arise.

A detailed description of taxation of the B shares was contained in the Company's launch Prospectus, which is available on request.

The above is based on an understanding of HM Revenue and Customs' legislation and practice at the time of publication. Tax rates and reliefs depend on the circumstances of the individual investor, are subject to government legislation and may change in the future. You should consult your tax adviser on your own individual tax circumstances.

Board of Directors

Iain McLaren
Chairman
age 60, was appointed in 2009. He was previously senior partner in Scotland of KPMG. He is currently a director and chairman of the audit committee of Cairn Energy plc and a director of Baillie Gifford Shin Nippon plc, Ecofin Water & Power Opportunities plc and Edinburgh Dragon Trust plc.

Julia Le Blan
Audit Committee Chairman
age 56, was appointed on 1 January 2011. She has worked in the financial services industry for over 30 years. She retired from Deloitte in 2009, where she had been a tax partner since 1990. She is currently a director of Impax Environmental Markets plc.

Herschel Post
Senior Independent Director
age 71, was appointed in 2007, having been a Director of the predecessor company. He was previously International Managing Director Business Development of Christie's International plc and Deputy Chairman of EFG Private Bank Limited. He is a director of Ahli United Bank (UK) plc, Euroclear UK & Ireland Limited, Euroclear plc, Threadneedle Asset Management Holdings SARL and various overseas companies. He was formerly chief executive officer and deputy chairman of Coutts & Co UK.

Kenneth Shand
age 51, was appointed in 2007, having been a Director of the predecessor company. He is a partner and board member of Maclay Murray & Spens LLP, Solicitors. His practice focuses on corporate finance and mergers and acquisitions.

James Williams
age 60, was appointed in 2009. He has worked in the investment management industry for over 35 years. He retired from Baring Asset Management in 2002, where he was chief investment officer and head of global investment strategy. He is a director of Prosperity Russian Domestic Fund and JPMorgan American Investment Trust plc. He is chairman of University College Falmouth. He was previously a director of Royal London Growth and Income Trust plc and of Close Brothers Group plc.

Report of the Directors

The Directors submit the Annual Report and Accounts of the Company for the year to 31 March 2011.

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income of the following accounts.

First, second and third quarter dividends, each of 1.06p per A share, were paid on 6 August 2010, 5 November 2010 and 4 February 2011 respectively. A fourth quarter dividend of 1.1p per A share was paid on 6 May 2011 to A shareholders on the register at close of business on 8 April 2011.

Principal Activity and Status

The Company is registered as a Public Limited Company in terms of the Companies Act 2006 (number: SC314671). The Company is an investment company under section 833 of the Companies Act 2006.

The Company's wholly-owned subsidiary, Investors Securities Company Limited (SC140578), did not undertake any investment activity during the year.

The Company has been approved by HM Revenue & Customs as an investment trust under section 842 of the Income and Corporation Taxes Act 1988 for the year ended 31 March 2010. As a result, it is not liable to corporation tax on capital gains. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to continue to obtain approval as an investment trust.

The Company is required to comply with company law, the rules of the UK Listing Authority, International Financial Reporting Standards, and its Articles of Association.

The Company is a member of the Association of Investment Companies (the 'AIC').

A review of the Group's business during the year, the position of the Company at the year end, and outlook for the coming year is contained in the Chairman's Statement and Manager's Review.

Investment Policy

The Company's objective is to provide an attractive return to shareholders in the form of dividends and/or capital returns, together with prospects for capital growth.

In pursuit of this objective, the Company's investment policy is to manage the Company's investment portfolio in two distinct parts. The first part of the Company's portfolio presently comprises investments in UK equities (the Equities Portfolio) and the second part comprises investments in fixed interest and other higher yielding stocks and securities (the Higher Yield Portfolio). The proportion of the Company's portfolio represented by the Equities Portfolio and the Higher Yield Portfolio will vary as a result of market movements and the proportion may also be varied by the Board and Manager over time, depending upon market circumstances, in pursuit of the Company's investment objective.

The Equities Portfolio is invested predominantly in UK equities and equity-related securities of large and mid-sized companies. The Manager's objective for the Equities Portfolio will be to achieve a total return in excess of that of the FTSE All-Share Capped 5% Index. In managing the Equities Portfolio, the Manager will approach portfolio construction with the aim of selecting stocks which are expected to be core long-term holdings. This entails having relatively low turnover in the Equities Portfolio with approximately 50 holdings at any given time. The Manager expects few individual holdings to exceed five per cent. of the Equities Portfolio, and intends to spread stock weightings across the Equities Portfolio; the effect of this should be to spread investment risk.

The Higher Yield Portfolio is invested predominantly in corporate bonds (both investment grade and non-investment grade) but may also be invested, from time to time, in other higher yielding securities where the Manager believes performance could be enhanced and/or portfolio risk reduced without prejudicing the target yield. The Higher Yield Portfolio is diversified by stock, sector and credit risk and is expected to comprise over 50 holdings. A majority of the fixed interest securities within the Higher Yield Portfolio is expected to be Sterling denominated but securities with denominations other than Sterling will also be held to provide portfolio diversification, with overseas currency exposure being hedged.

Income may be enhanced from the Equities Portfolio by writing call options, but only where the portfolio

has an existing holding and the holding is greater than the amount of stock subject to the call option. The Manager will limit the percentage of the Equities Portfolio used to generate call premium to 5 per cent. by value at any one time. The Company may use derivatives for efficient portfolio management from time to time.

The Company has the power under its Articles to borrow an amount up to 100 per cent. of the Company's Adjusted Capital and Reserves. The Directors currently intend that the aggregate borrowings of the Company will be limited to approximately 20 per cent. of the Company's gross assets immediately following drawdown of any new borrowings. The Directors will, however, retain flexibility to increase or decrease the level of gearing to take account of changing market circumstances and in pursuit of the Company's investment objectives.

Any material change to the investment policy of the Company will only be made with shareholders' approval.

As required by the Listing Rules, the Company has stated that it has a policy to invest no more than 15 per cent. of gross assets in other listed investment companies.

An explanation of how the Company has invested its assets with a view to spreading investment risk in accordance with its investment policy is contained under the heading *Management of Assets and Shareholder Value* below. An analysis of the portfolio is contained on the page entitled 'Classification of Investments' and the largest investments are shown on pages entitled 'Equities Portfolio' and 'Higher Yield Portfolio'.

Business Review

Strategy

The Company's investment objective is to provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth.

As part of its strategy, the Board has contractually delegated the management of the investment portfolio, and other services, to F&C Investment Business Limited.

The Company's performance in meeting its objectives is measured against key performance indicators ('KPIs') as set out on page 18.

The Chairman's Statement and Manager's Review within this Report provide a review of investment performance, investment portfolio and market conditions during the year and the outlook for the coming year, both of which form part of this Business Review.

Principal Risks and Risk Management

The Company's assets consist mainly of listed equity and fixed interest securities and its principal risks are therefore market-related. More detailed explanations of these risks and the way in which they are managed are contained in the notes to the accounts.

Other risks faced by the Company include the following:

- External – events such as terrorism, protectionism, inflation or deflation, economic recessions and movements in interest rates and exchange rates could affect share prices in particular markets.
- Investment and strategic – incorrect strategy, asset allocation, stock selection and the use of gearing could all lead to poor returns for shareholders.
- Regulatory – breach of regulatory rules could lead to suspension of the Company's Stock Exchange listing, financial penalties, or a qualified audit report. Breach of section 1158 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on capital gains.
- Operational – failure of the Manager's accounting systems or disruption to the Manager's business, or that of third party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to a loss of shareholders' confidence.
- Financial – inadequate controls by the Manager or third party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting

or breaches of regulations. Breaching loan covenants could lead to a loss of shareholders' confidence and financial loss for shareholders.

The Board seeks to mitigate and manage these risks through continual review, policy setting and reliance upon contractual obligations. It also regularly monitors the investment environment and the management of the Company's investment portfolio, and applies the principles detailed in the internal control guidance issued by the Financial Reporting Council. Details of the Company's internal controls are described in more detail later in the Report of the Directors.

Management of Assets and Shareholder Value

As stated above, the Board has contractually delegated the administration of the Company and the management of the investment portfolio to F&C Investment Business Limited.

The Company invests in companies which the Manager believes will generate a combination of long-term growth in capital and income for shareholders. The selection of investments is based on analysis of, amongst other things, market positioning and competitive advantage, financial strength, credit risk and cashflow characteristics.

Investment risks are spread through holding a wide range of securities in different industrial sectors. As at 31 March 2011, the portfolio was made up of 230 investments comprising 57 in the Equities Portfolio and 173 in the Higher Yield Portfolio. The Managers make use of third party risk systems to monitor investment risk. At each Board meeting, the Board receives a presentation from the fund manager.

The Company's borrowings consist of a bank loan, on which the interest rate has been fixed through an interest rate swap, of £33.5 million, which is described in more detail in the notes to the accounts. The Board receives recommendations on gearing levels from the Manager and it is responsible for setting the gearing range within which the Manager may operate.

The Board and Manager recognise the importance of both marketing and share buy-backs in enhancing shareholder value. In terms of marketing, the Manager offers a range of private investor savings schemes, details of which can be found in the 'How to Invest' section of this report. In addition, meetings are held regularly with current and prospective shareholders and stockbroking analysts covering the investment trust sector. Share buy-backs help reduce the volatility of the discount and enhance the net asset value per share for continuing shareholders. Communication of up-to-date portfolio information is made through the Company's website.

Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. The key performance indicators are as follows:

- Distribution level of A and B shares.
- Net asset value total returns relative to the total return on the FTSE All-Share Capped 5% Index.
- Discount of the share price of the A and B shares relative to net asset value.
- Total expenses as a ratio of shareholders' funds.

A record of these indicators is contained in the page entitled 'Performance Summary'. Additional comments are provided in the Chairman's Statement and Manager's Review discussing the performance of the Company over the current year.

Subsidiary Company

The Company has a 100 per cent. interest in Investors Securities Company Limited, a company which deals in investments. In the year to 31 March 2011, Investors Securities Company Limited made a profit before taxation of £nil.

Investors Securities Company Limited did not trade during the year to 31 March 2011.

Directors

The terms of Directors' appointments provide that Directors should retire and be subject to re-election including at the first Annual General Meeting following their appointment.

On 1 January 2011 Mrs J Le Blan, whose biographical details are shown on the 'Board of Directors' page, was appointed a Director. In accordance with the Company's Articles of

Association she will retire at the Annual General Meeting, being the first such meeting following her appointment and, being eligible, offers herself for election.

As explained in more detail under the first page of the Corporate Governance section, the Board has agreed that Directors who have served on the Board (including the Board of the predecessor Company) for more than nine years will retire annually. Accordingly, Mr Post will retire at the Annual General Meeting and, being eligible, offers himself for re-election.

The Board confirms that, following formal performance evaluations, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role. The Board believes, therefore, that it is in the interests of shareholders that these Directors are re-elected.

The Directors who held office and their interests in the shares and other securities of the Company at 31 March 2011 (all of which were beneficially held) were:

	31 March 2011		1 April 2010*	
	A Shares	B Shares	A Shares	B Shares
I A McLaren	–	10,000	–	–
J Le Blan	–	–	–	–
H Post†	11,142	3,714	10,548	3,516
K D Shand	–	–	–	–
J P Williams	–	41,000	–	41,000

* Or date of appointment, if later.
† Mr H Post's holding was held within units.

The office of Director does not require a shareholding.

There have been no changes in the holdings of the Directors since 31 March 2011 up to the date of this report.

No Director has any material interest in any contract to which the Company is a party. No Director has a contract of service with the Company.

Directors' Deeds of Indemnity

The Company has entered into deeds of indemnity in favour of each of the Directors. The deeds give each Director the benefit of an indemnity to the extent permitted by the Companies Act against liabilities incurred by each of them in the execution of their duties and the exercise of their powers. 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 Interests in Share Capital

At 10 May 2011 the Company had received notification of the following holdings of voting rights (under the FSA's Disclosure and Transparency Rules):

	A Shares	
	Number held	Percentage held
Clients of F&C Asset Management plc	15,941,054	16.7
D. C. Thomson & Company Limited	8,824,869	9.3

	B Shares	
	Number held	Percentage held
D. C. Thomson & Company Limited	2,941,623	9.2
Clients of F&C Asset Management plc	2,714,529	8.5

Management and Management Fees

Details of the contract between the Company and F&C Investment Business Limited in respect of management services provided are given in the notes to the accounts.

Since the end of the year, the Remuneration Committee has reviewed the appropriateness of the Manager's appointment. In carrying out its review the Committee considered the past investment performance of the Company and the ability of the Manager to produce satisfactory investment performance in the future. It also considered the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided which include company secretarial, accounting and marketing services. Following this review, it is the Directors' opinion that the continuing

appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

Other Companies Act Disclosures

- The Company's capital structure is explained in the 'Capital Structure' section of this Annual Report and details of the share capital, including voting rights, are set out in note 17 to the accounts. Details of voting rights are also set out in the Notes to the Notice of Annual General Meeting. At 31 March 2011, the total issued share capital of the Company was represented 76.1 per cent by A shares and 23.9 per cent by B shares.
- Details of the substantial shareholders in the Company are listed above.
- The rules for appointment and replacement of Directors are contained in the Articles of Association of the Company. In respect of retiral by rotation, the Articles of Association provide that each Director is required to retire at the third annual general meeting after the annual general meeting at which last elected.
- Amendment of the Articles of Association and powers to issue and buy back shares require shareholder authority.
- There are no significant restrictions concerning the transfer of securities in the Company (other than certain restrictions imposed by laws and regulations such as insider trading laws); no agreements known to the Company concerning restrictions on the transfer of securities in the Company or on voting rights; and no special rights with regard to control attached to securities. Pursuant to the Company's bank facility, mandatory prepayment may be required in the event of a change of control of the Company; there are no other significant agreements which the Company is a party to that might be affected by a change of control of the Company following a takeover bid.
- There are no agreements between the Company and the Directors providing for compensation for loss of office that occurs because of a takeover bid.

Corporate Governance

Arrangements in respect of corporate governance have been put in place by the Board, which it believes are appropriate to an investment trust. The Company complied throughout the year with the provisions of Section One of the Combined Code on Corporate Governance issued by the Financial Reporting Council ('the Code') available at website: www.frc.org.uk. The Board has also taken into account the recommendations of the AIC Code of Corporate Governance ('the AIC Code'). Since all the Directors are non-executive, the Company is not required to comply with the provisions of the Code in respect of Directors' remuneration, except in so far as they relate specifically to non-executive Directors.

Under the requirements of the Articles of Association, each Director is required to retire at the third Annual General Meeting after the Annual General Meeting at which last elected. Directors are appointed for a specified term of no more than three years as recommended by the Code, subject to reappointment by shareholders. Full details of the duties of Directors are provided at the time of appointment. Under the requirements of the Articles of Association, Directors are subject to election at the first Annual General Meeting after their appointment.

The Board consists solely of non-executive Directors. Mr I A McLaren is Chairman and Mr H Post is the Senior Independent Director. All Directors are considered by the Board to be independent of the Company's Manager. New Directors receive an induction from the Manager on joining the Board, and all Directors are made aware of appropriate training courses.

Mr Post has served on the Board and the Board of the predecessor company together for more than nine years. He will seek re-election annually. The Board believes that longer serving Directors should not be prevented from forming part of an independent majority, which is consistent with the view expressed within the AIC Code. The Board does not consider that a Director's tenure necessarily reduces his ability to act independently and, following formal performance evaluations, believes that each Director is independent in

character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director. The Board believes that continuity and experience add significantly to the strength of the Board and therefore no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed.

The Company has no executive Directors or employees. A management agreement between the Company and its Manager, F&C Investment Business Limited, sets out the matters over which the Manager has authority and the limits beyond which Board approval must be sought. All other matters, including strategy, investment and dividend policies, gearing, and corporate governance procedures, are reserved for the approval of the Board of Directors. The Board currently meets at least five times a year and receives full information on the Company's investment performance, assets, liabilities and other relevant information in advance of Board meetings. The Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights. All shareholdings are voted where practicable in accordance with the Manager's own corporate governance policy, which is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance. The Company seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken on behalf of the Company. The Company's Manager considers socially responsible investment and actively engages with investee companies. The Manager's statement of compliance with The UK Stewardship Code issued by the Financial Reporting Council in July 2010 can be found on its website at www.fandc.com/ukstewardshipcode.

Throughout the year a number of committees has been in operation. The committees are the Audit Committee, the Remuneration Committee and the Nomination Committee. The Nomination Committee comprises the full Board and is chaired by Mr McLaren. The Audit Committee comprises the full Board and is chaired by Mrs Le Blan. The Remuneration Committee comprises the full Board and is chaired by Mr Post. Terms of reference for these Committees are available on request.

The Audit Committee operates within clearly defined terms of reference and has recent and relevant financial experience. Mrs Le Blan was appointed chairman of the Audit Committee following her appointment on 1 January 2011. Prior to that Mr McLaren was chairman of the Audit Committee. The duties of the Audit Committee include reviewing the Financial Statements, the system of internal controls, and the terms of appointment of the auditors together with their remuneration. The objectivity of the auditors is reviewed by the Audit Committee which also reviews the terms under which the external auditors are appointed to perform non-audit services. It also provides a forum through which the auditors may report to the Board of Directors and meets at least twice a year. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to non-audit fees. Such non-audit fees amounted to £18,000 for the year ended 31 March 2011 (year to 31 March 2010: £21,000) and related mostly to the

	Board of Directors		Audit Committee		Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
I A McLaren	5	5	2	2	1	1	3	3
J Le Blan (appointed 1/1/11)	1	1	–	–	–	–	–	–
H Post	5	4	2	2	1	1	3	2
K D Shand	5	5	2	2	1	1	3	3
J P Williams	5	5	2	2	1	1	3	3
J M Haldane (retired 31/12/10)	4	4	2	2	1	1	3	3

provision of a review of the interim financial information and taxation services. Notwithstanding such services the Audit Committee considers Ernst & Young LLP to be independent of the Company.

The Remuneration Committee reviews the appropriateness of the Manager's continuing appointment together with the terms and conditions thereof on a regular basis.

The Nomination Committee is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate. Mr McLaren was appointed chairman of the Nomination Committee on 29 June 2010. Prior to that Mr Haldane was chairman of the Nomination Committee. In considering appointments to the Board, the Nomination Committee takes into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board. In relation to the appointment of Mrs Le Blan, an external search consultancy was used.

During the year the performance of the Board and Committees, including the performance of each individual Director, was evaluated through a formal assessment process, led by the Chairman. The performance of the Chairman was evaluated by the other Directors under the leadership of the Senior Independent Director. This process involved consideration of previously completed questionnaires designed to suit the nature of the Company and discussion of the points arising amongst the Directors.

The table on page 21 sets out the number of scheduled Board and Committee meetings held during the year ended 31 March 2011 and the number of meetings attended by each Director.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. The Company maintains appropriate Directors' and Officers' liability insurance.

Going Concern

The Company's objective and policy, which is described on page 16 and which is subject to regular Board monitoring processes, is designed to ensure that the Company is invested mainly in liquid, listed securities. The Company retains title to all assets held by its custodian, and has agreements relating to its borrowing facilities with which it has complied during the year. Cash is held only with banks approved and regularly reviewed by the Manager.

Note 21 to the accounts sets out the financial risk profile of the Company and indicates the effect on the assets and liabilities of falls (and rises) in the value of securities and market rates of interest.

The Directors believe, in the light of the controls and review processes noted above and bearing in mind the nature of the Company's business and assets, that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Company does not have a fixed life. However, in the event that the net asset value total return performance of the Company is less than that of the FTSE All-Share Capped 5% Index over the relevant five year period, shareholders will be given the opportunity to vote on whether the Company should continue, by ordinary resolution at the Company's Annual General Meeting. The first five year period for these purposes shall terminate at the end of the Company's financial year in 2012.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed, consistent with the guidance provided by the Turnbull Committee. The process is based principally on the Manager's existing risk-based approach to internal control whereby a test matrix is created that identifies the key functions carried out by the Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A residual risk rating is then applied. The Board is provided with reports highlighting all material changes to the risk ratings and confirming the action, which has been, or is being, taken. A formal

annual review of these procedures is carried out by the Audit Committee and includes consideration of internal control reports issued by the Manager and other service providers.

Such review procedures have been in place throughout the full financial year and up to the date of approval of the accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board monitors the investment performance of the Company in comparison to its objective at each Board meeting. The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

The Board has reviewed the need for an internal audit function. The Board has decided that the systems and procedures employed by the Manager, which are reported on by a firm of external auditors, together with the Manager's internal audit function, provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors. An internal audit function, specific to the Company, is therefore considered unnecessary.

Environment

The Company seeks to conduct its affairs responsibly and environmental factors are, where appropriate, taken into consideration with regard to investment decisions taken on behalf of the Company. The Company's Manager considers socially responsible investment and actively engages with investee companies.

Relations with Shareholders

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Manager holds meetings with the Company's largest shareholders and reports back to the Board on these meetings. The Chairman and other Directors are available to meet shareholders if required. The Annual General Meeting of the Company provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Manager of the Company. The Manager will give a short presentation on the Company at the Annual General Meeting.

Creditor Payment Policy

The Company's payment policy is to settle investment transactions in accordance with market practice and to ensure settlement of supplier invoices in accordance with stated terms. The Company did not have any trade creditors at the year end.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors of the Company and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank debt, interest rate swap, foreign exchange currency contracts, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in the notes to the accounts.

Recommendation

The Directors consider that the passing of the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and they unanimously recommend that all shareholders vote in favour of those resolutions. Information on shareholder voting rights is set out in the Notes to the Meeting.

Directors' Authority to Allot Shares

The Directors are seeking authority to allot A shares and B shares. Resolution 6 will, if passed, authorise

the Directors to allot new A shares up to an aggregate nominal amount of £4,759 consisting of 4,758,907 A shares and new B shares up to an aggregate nominal amount of £1,603 consisting of 1,602,585 B shares, being 5 per cent of the total issued A shares and B shares (excluding treasury shares) as at 10 May 2011. This authority therefore authorises the Directors to allot up to 6,361,492 shares in aggregate representing 5 per cent of the total ordinary share capital in issue (excluding treasury shares). Resolution 7 will, if passed, authorise the Directors to allot new A shares up to an aggregate nominal amount of £4,759 and new B shares up to an aggregate nominal amount of £1,603, being 5 per cent of the total issued A shares and B shares as at 10 May 2011, for cash without first offering such shares to existing shareholders pro rata to their existing holdings. This authority therefore authorises the Directors to allot up to 6,361,492 shares in aggregate for cash on a non pre-emptive basis representing 5 per cent of the total ordinary share capital in issue. These authorities will continue until the earlier of 28 September 2012 (being 15 months from the date of the Annual General Meeting in 2011) and the conclusion of the Annual General Meeting in 2012. The Directors have no current intention to exercise this authority and will only allot new shares pursuant to these authorities if they believe it is advantageous to the Company's shareholders to do so and will not result in a dilution of net asset value per share. The Directors consider that the authorisations proposed in resolutions 6 and 7 are necessary to retain flexibility, although they do not intend to exercise the powers conferred by these authorisations at the present time.

Directors' Authority to Buy Back Shares

During the year to 31 March 2011 the Company purchased for treasury 400,000 A shares, representing 0.4 per cent of the A shares in issue at the previous year end, for a total consideration of £328,000.

The current authority of the Company to make market purchases of up to 14.99 per cent of each of the issued A shares and the B shares (in each case, excluding shares held in treasury) expires at the end of the Annual General Meeting and Resolution 8, as set out in the notice of the Annual General Meeting, seeks renewal of that authority. The renewed authority to make market purchases will be in respect of a maximum of 14.99 per cent of each of the issued A shares and issued B shares of the Company on the date of the passing of the resolution. The price paid for shares will not be less than the nominal value of 0.1p per share nor more than the higher of (a) 5 per cent above the average of the middle market values (as derived from the Daily Official List of the London Stock Exchange) of those shares for the five business days before the shares are purchased and (b) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange. This power will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in net asset value per share and is in the interests of the shareholders. Any shares purchased under this authority will either be held in treasury or cancelled. This authority will expire on the earlier of 28 September 2012 and the conclusion of the next Annual General Meeting of the Company.

Since the year end the Company has not purchased for treasury any A shares or B shares and there were 127,229,847 A shares and B shares in issue as at 10 May 2011; of which 74.8 per cent represents A shares and 25.2 per cent represents B shares. At that date, the Company held 7.2 per cent of the total A share capital in treasury and 0.1 per cent of the total B share capital in treasury.

The Company therefore in aggregate holds 6,914,000 shares in treasury representing 5.4 per cent of the total ordinary share capital in issue (excluding treasury shares).

Treasury Shares

The Board continues to believe that the effective use of treasury shares assists the liquidity in the Company's securities and management of the discount by addressing imbalances between demand and supply for the Company's securities. The discount management policy that was adopted at the time of the Company's launch in 2007 included the ability of the Company to resell treasury shares at a discount to net asset value, subject to certain conditions (see Resolution 9 below).

Resolution 9, if passed, will continue to allow the Company to sell shares from treasury at a discount to net asset value. Shares would only be resold from treasury when market demand is identified and, pursuant to the authority conferred by this resolution, at a price representing a discount of not more than 5 per cent to net asset value at the time of resale, subject to the conditions that, first, the discount at which Shares are to be resold must be less than the average discount at which Shares held in treasury have been repurchased and, second, the net asset value dilution in any one financial year must not exceed 0.5 per cent of net assets. Resolution 9 is conditional on the passing of Resolution 10.

Resolution 10, if passed, will enable the Company to sell Shares from treasury without having first to make a pro rata offer to existing shareholders. This authority will be limited to Shares representing approximately 10 per cent of the Company's issued A share capital and B share capital as at the date of passing of the resolution. Resolution 10 is not conditional on the passing of Resolution 9.

Notice Period for General Meetings

Resolution 11 is being proposed to reflect the provisions of the Companies Act 2006 relating to meetings and the minimum notice period for listed company general meetings being increased to 21 clear days, but with an ability for companies to reduce this period back to 14 clear days (other than for annual general meetings), provided that the company offers facilities for shareholders to vote by electronic means and that there is an annual resolution of shareholders approving the reduction in the minimum period for notice of general meetings (other than annual general meetings) from 21 clear days to 14 clear days. The Board is therefore proposing Resolution 11 as a special resolution to ensure that the minimum required period for notice of general meetings of the Company (other than annual general meetings) is 14 clear days. The approval will be effective until the earlier of 28 September 2012 and the Company's next annual general meeting when it is intended that a similar resolution will be proposed.

Statement of Disclosure of Information to Auditors

As far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Individual Savings Accounts

The Company's shares are qualifying investments for Individual Savings Accounts. It is the current intention of the Directors that the Company will continue to conduct its affairs to satisfy this requirement.

By order of the Board
For F&C Investment Business Limited
Company Secretary
80 George Street
Edinburgh EH2 3BU

10 May 2011

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to members at the forthcoming Annual General Meeting.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the Independent Auditor's Report.

Directors' Fees and Remuneration Committee

The Board consists solely of independent non-executive Directors and considers at least annually the level of the Board's fees, in accordance with the Combined Code on Corporate Governance. The Company Secretary provides information on comparative levels of Directors' fees to the Board in advance of each review. The Board concluded following the review of the level of Directors' fees for the forthcoming year that the amounts paid to Directors should remain unchanged.

The Remuneration Committee is H Post (chairman), J Le Blan, I A McLaren, K D Shand and J P Williams. As the Company has no Executive Directors, the Remuneration Committee meets, at least annually, to review the remuneration and terms of appointment of the Manager.

Policy on Directors' Fees

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be fair and comparable to that of other relevant investment trusts that are similar in size and have similar investment objectives and structures. Furthermore the level of remuneration should be sufficient to attract and retain the Directors needed to oversee properly the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs.

The fees for the non-executive Directors are determined within the limits set out in the Company's Articles of Association. The present limit is £150,000 per annum in total and the approval of shareholders in a general meeting would be required to change this limit. Non-executive Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Directors' Service Contracts

It is the Board's policy that Directors do not have service contracts, but new Directors are provided with a letter of appointment.

Director	Date of Original Appointment	Due date for Re-election
I A McLaren	19/03/2009	AGM 2012
J Le Blan	01/01/2011	AGM 2011
H Post	17/01/2007	AGM 2011
K D Shand	17/01/2007	AGM 2013
J P Williams	17/09/2009	AGM 2013

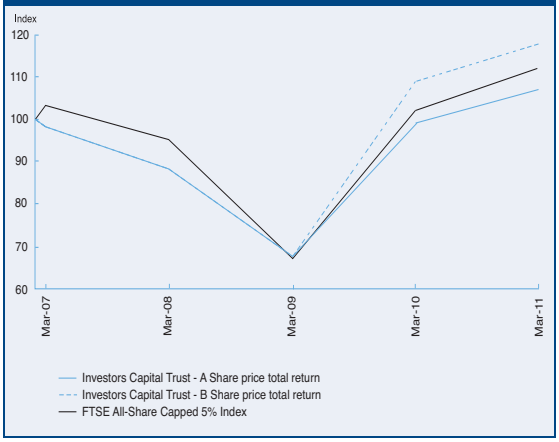
The terms of Directors' appointments provide that Directors should retire and be subject to election at the first Annual General Meeting after their appointment and Directors are thereafter obliged to retire periodically, and to offer themselves for re-election by shareholders at the third annual general meeting after the annual general meeting at which last elected. These requirements for retiral of Directors are also contained in the Company's Articles of Association. Directors having served on the Board (including the Board of the predecessor Company) for more than nine years will retire annually. There is no notice period and no provision for compensation upon early termination of appointment.

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Manager through the investment management agreement, as referred to in the Report of the Directors. The graph below compares, for the period from launch until 31 March 2011, the share price total return (assuming all distributions are reinvested) to A and B shareholders compared to the total shareholder return on a notional investment

made up of shares of the same kinds and number as those by reference to which the FTSE All-Share Capped 5% Index is calculated. This index was chosen for comparison purposes, as it represents a comparable broad equity market index; however it should be noted that between 20 to 30 per cent. of the Company's assets are in higher yielding securities. An explanation of the performance of the Company is given in the Chairman's Statement and Manager's Review.

Share Price Total Return and the FTSE All-Share Capped 5% Index Performance Graph



Directors' Emoluments for the Year (audited)

The Directors who served in the year to 31 March 2011 received the following emoluments in the form of fees:

	Year to 31 March 2011 £	Year to 31 March 2010 £
I A McLaren (appointed Chairman 01/01/11)	**22,313**	19,457
J Le Blan (appointed 01/01/11)	**5,125**	–
H Post	**18,500**	18,000
K D Shand	**18,500**	18,000
J P Williams (appointed 17/09/09)	**18,500**	9,700
J M Haldane (retired 31/12/10)	**20,813**	27,000
Total	**103,751**	92,157

On behalf of the Board

Iain McLaren

Director

10 May 2011

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in Relation to the Financial Statements

The directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards (''IFRSs'') as adopted by the European Union.

Under Company Law the directors must not approve the Group financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group for that period. In preparing the Group financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that the Group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable and prudent.

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

Notes:

1. The maintenance and integrity of the website maintained for Investors Capital Trust pic is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statements under the Disclosure and Transparency Rules

Each of the Directors listed on page 15 confirms that to the best of their knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that they face.

On behalf of the Board
Iain McLaren
Chairman

10 May 2011

Independent Auditor's Report

Independent Auditor's Report to the Members of Investors Capital Trust plc

We have audited the financial statements of Investors Capital Trust pic for the year ended 31 March 2011 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cash Flow Statement and the Group and Company Statement of Changes in Equity and the related notes 1 to 21. 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 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 28, 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.

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 group's and the parent 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 and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Independent Auditor's Report (continued)

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
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 22, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Caroline Gulliver (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London

11 May 2011

Consolidated Statement of Comprehensive Income

for the year to 31 March 2011

	Notes	Revenue Return Year to 31 March 2011 £'000	Capital Return Year to 31 March 2011 £'000	Total Year to 31 March 2011 £'000	Revenue Return Year to 31 March 2010 £'000	Capital Return Year to 31 March 2010 £'000	Total Year to 31 March 2010 £'000
Capital gains on investments							
Gains on investments held at fair value through profit or loss	11	–	4,195	4,195	–	31,187	31,187
Exchange differences	21	–	358	358	–	752	752
Revenue							
Investment income	2	6,498	–	6,498	6,460	–	6,460
Total income		6,498	4,553	11,051	6,460	31,939	38,399
Expenditure							
Investment management fee	4	(234)	(545)	(779)	(217)	(506)	(723)
Other expenses	5	(461)	–	(461)	(414)	–	(414)
Total expenditure		(695)	(545)	(1,240)	(631)	(506)	(1,137)
Profit before finance costs and tax		5,803	4,008	9,811	5,829	31,433	37,262
Net finance costs							
Interest on bank loan and interest rate swap	7	(592)	(1,380)	(1,972)	(593)	(1,385)	(1,978)
Total finance costs		(592)	(1,380)	(1,972)	(593)	(1,385)	(1,978)
Profit before tax		5,211	2,628	7,839	5,236	30,048	35,284
Tax	8	(305)	284	(21)	(425)	406	(19)
Profit for the year		4,906	2,912	7,818	4,811	30,454	35,265
Other comprehensive income							
Gain on cashflow hedge	16	–	1,141	1,141	–	252	252
Total comprehensive income for the year		4,906	4,053	8,959	4,811	30,706	35,517
Earnings per share	10	3.85p	2.28p	6.13p	3.79p	23.97p	27.76p

The total column of this statement represents the Group's Income Statement and Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

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

No operations were acquired or discontinued in the year.

All of the profit/(loss) and total comprehensive income for the year is attributable to the owners of the Company.

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

Balance Sheets

as at 31 March 2011		2011		2010	
		Company	Group	Company	Group
	Notes	£'000	£'000	£'000	£'000
Non-current assets					
Investments held at fair value through profit or loss	11	**136,774**	**136,524**	132,349	132,099
Current assets					
Other receivables	13	**1,422**	**1,422**	2,430	2,430
Cash and cash equivalents	14	**8,306**	**8,306**	9,278	9,278
		9,728	**9,728**	11,708	11,708
Total assets		**146,502**	**146,252**	144,057	143,807
Current liabilities					
Other payables	15	**(2,133)**	**(1,883)**	(1,372)	(1,122)
Non-current liabilities					
Bank loan	16	**(33,490)**	**(33,490)**	(33,482)	(33,482)
Interest rate swap	16	**(2,019)**	**(2,019)**	(3,160)	(3,160)
		(35,509)	**(35,509)**	(36,642)	(36,642)
Total liabilities		**(37,642)**	**(37,392)**	(38,014)	(37,764)
Net assets		**108,860**	**108,860**	106,043	106,043
Share capital	17	**134**	**134**	134	134
Share premium	18	**22**	**22**	22	22
Capital redemption reserve		**5**	**5**	5	5
Buy back reserve		**90,662**	**90,662**	90,990	90,990
Special capital reserve		**28,054**	**28,054**	29,514	29,514
Capital reserves		**(12,497)**	**(12,497)**	(16,550)	(16,550)
Revenue reserve		**2,480**	**2,480**	1,928	1,928
Equity shareholders' funds		**108,860**	**108,860**	106,043	106,043
Net asset value per A share	19	**85.56p**	**85.56p**	83.09p	83.09p
Net asset value per B share	19	**85.56p**	**85.56p**	83.09p	83.09p

Approved by the Board and authorised for issue on 10 May 2011 and signed on its behalf by:

Iain McLaren, Director

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

Consolidated and Company Cash Flow Statement

for the year to 31 March 2011

	Year to 31 March 2011 £'000	Year to 31 March 2010 £'000
Cash flows from operating activities		
Profit before tax	**7,839**	35,284
Adjustments for:		
Gains on investments held at fair value through profit or loss	**(4,195)**	(31,187)
Exchange differences	**(358)**	(752)
Decrease/(increase) in receivables	**169**	(121)
(Decrease)/increase in payables	**(7)**	80
Purchases of investments	**(18,640)**	(37,988)
Sales of investments	**19,550**	25,024
Net finance costs	**1,972**	1,978
	6,330	(7,682)
Tax recovered/(paid)	**13**	(105)
Net cash inflow/(outflow) from operating activities	**6,343**	(7,787)
Cash flows from financing activities		
Dividends paid on A shares	**(4,354)**	(5,117)
Capital returns paid on B shares	**(1,460)**	(1,675)
Interest on bank loan and interest rate swap	**(1,964)**	(2,456)
Issue of shares from treasury	**–**	1,426
Shares purchased for treasury	**(328)**	(194)
Net cash outflow from financing activities	**(8,106)**	(8,016)
Net decrease in cash and cash equivalents	**(1,763)**	(15,803)
Currency gains	**791**	678
Opening cash and cash equivalents	**9,278**	24,403
Closing cash and cash equivalents	**8,306**	9,278

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

Consolidated and Company Statement of Changes in Equity

for the year to 31 March 2011

	Notes	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Buy back Reserve £'000	Special Capital Reserve £'000	Capital Reserve – investments sold £'000	Capital Reserve – investments held £'000	Revenue Reserve £'000	Total £'000
At 1 April 2010		134	22	5	90,990	29,514	(18,096)	1,546	1,928	106,043
(Loss)/profit for the year		–	–	–	–	–	(256)	3,168	4,906	7,818
Gain on revaluation of interest rate swap	16	–	–	–	–	–	–	1,141	–	1,141
Shares bought back for treasury	17	–	–	–	(328)	–	–	–	–	(328)
Dividends paid on A shares	9	–	–	–	–	–	–	–	(4,354)	(4,354)
Capital returns paid on B shares	9	–	–	–	–	(1,460)	–	–	–	(1,460)
At 31 March 2011		**134**	**22**	**5**	**90,662**	**28,054**	**(18,352)**	**5,855**	**2,480**	**108,860**

for the year to 31 March 2010

	Notes	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Buy back Reserve £'000	Special Capital Reserve £'000	Capital Reserve – investments sold £'000	Capital Reserve – investments held £'000	Revenue Reserve £'000	Total £'000
At 1 April 2009		134	22	5	89,227	31,189	(15,749)	(30,976)	2,234	76,086
(Loss)/profit for the year		–	–	–	–	–	(1,816)	32,270	4,811	35,265
Gain on revaluation of interest rate swap	16	–	–	–	–	–	–	252	–	252
Shares issued from treasury	17	–	–	–	1,957	–	(531)	–	–	1,426
Shares bought back for treasury	17	–	–	–	(194)	–	–	–	–	(194)
Dividends paid on A shares	9	–	–	–	–	–	–	–	(5,117)	(5,117)
Capital returns paid on B shares	9	–	–	–	–	(1,675)	–	–	–	(1,675)
At 31 March 2010		**134**	**22**	**5**	**90,990**	**29,514**	**(18,096)**	**1,546**	**1,928**	**106,043**

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

Notes to the Accounts

1. Accounting policies

A summary of the principal accounting policies is set out below.

Basis of Accounting

The financial statements of the Group have been prepared in accordance with the Companies Act 2006, International Financial Reporting Standards (''IFRS''), which comprise standards and interpretations approved by the International Accounting Standards Board (''IASB''), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee (''IASC'') that remain in effect, and to the extent that they have been adopted by the European Union.

Where presentational guidance set out in the Statement of Recommended Practice (''SORP'') for investment trusts issued by the Association of Investment Companies (''AIC'') in January 2009 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 notes and financial statements are presented in pounds sterling (functional and presentational currency) and are rounded to the nearest thousand except where otherwise indicated.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The nature of the estimation means that actual outcomes could differ from those estimates.

Significant estimates and assumptions include the fair value of financial instruments. The valuation of financial assets held by the Group at year end have been derived from active, liquid markets. Risks relating to these valuations are disclosed in note 21. The interest rate swap is held at marked to market value and has been assessed as being an effective cash flow hedge.

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council in October 2009. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The following new standards have been adopted in the current year:

- In January 2008, the IASB issued IAS 27 *'Consolidated and Separate Financial Statements'* which became effective for accounting periods commencing on or after 1 July 2009. The objective of this standard is to enhance the relevance, reliability and comparability of the information that a parent entity provides in its separate financial statements and in its consolidated financial statements for a group of entities under its control.
- In April 2009, the IASB issued improvements to IFRS which mainly became effective for periods commencing on or after 1 January 2010. The improvements to IFRS cover amendments to twelve IFRS standards, none of which materially affect the Group.

The following new standards have been issued but are not effective for this accounting period and have not been adopted early:

- In November 2009, the IASB issued IFRS 9 *'Financial Instruments'* which becomes effective for accounting periods commencing on or after 1 January 2013. This represents the first of a three part project to replace IAS 39 '*Financial Instruments: Recognition and Measurement'*. The objective of the standard is to enhance the ability of investors and other users of financial information to understand the accounting of financial assets and to reduce complexity.
- In May 2010, the IASB issued improvements to IFRS for 2010 which will become effective for periods commencing on or after 1 January 2011. These cover eleven amendments to six standards, none of which are expected to materially affect the Group.

The Group does not consider that the future adoption of any new standards, in the form currently available, will have any material impact on the financial statements as presented.

Group accounts

The Group Accounts consolidate the accounts of the Company and its wholly-owned subsidiary, Investors Securities Company Limited. The Company has taken advantage of the exemption permitted by Section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income.

Notes to the Accounts (continued)

1. Accounting policies (continued)

Subsidiaries are consolidated from the date of acquisition, being the date from which control is transferred to the Group, and cease to be consolidated from the date on which control is transferred out of the Group.

Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's status as a UK investment company under section 833 of the Companies Act 2006, capital profits may not be distributed by way of dividend. Additionally, the net revenue return is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 1158 Corporation Tax Act 2010.

Investments

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Investments are classified as fair value through profit or loss. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition.

Financial assets designated as at fair value through profit or loss are measured at subsequent reporting dates at fair value, which is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. Where lower, the fair value of an investment on which a call option has been written is the exercise price of the option. Unlisted investments, including the subsidiary, are valued at fair value by the Directors on the basis of all information available to them at the time of valuation.

Where securities are designated upon initial recognition as fair value through profit or loss, gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item.

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. The Group held no such securities during the year under review.

Level 3 – External inputs are unobservable. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument. The Company's investment in its dealing subsidiary is included in Level 3.

Current assets – investments

Listed investments held by Investors Securities Company Limited, the Company's dealing subsidiary, are valued at fair value through profit or loss. Gains and losses on the disposal of investments realised by the dealing subsidiary together with unrealised losses are applied to the revenue column of the Group Statement of Comprehensive Income in the period in which they arise. Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned.

Other receivables

Other receivables do not carry any interest and are short term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

1. Accounting policies (continued)

Cash and cash equivalents

Cash in banks and short term deposits that are held to maturity are carried at cost. Cash and cash equivalents consist of cash in hand and short term deposits in banks with an original maturity of three months or less.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. If the Group has issued compound financial instruments that contain both a liability and equity component, the Group separately recognises these components as a financial liability or equity. Financial liabilities and equity instruments are recorded at the proceeds received, net of issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and any ineffective portion is recognised immediately in the Statement of Comprehensive Income. The amount in equity is released to income when the forecast transaction impacts profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Comprehensive Income as they arise. If incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio, the associated change in value is presented as a capital item in the Statement of Comprehensive Income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity for cash flow hedges is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss.

Derivatives embedded in other financial instruments or non-financial host contracts are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contracts and the financial instrument is not classified at fair value through profit or loss.

Other payables

Other payables are not interest bearing and are stated at their nominal value.

Reserves

(a) Share premium – the surplus of net proceeds received from the issue of new shares over the par value of such shares is credited to this account. The majority of the balance of this account which arose as a result of the issue of new shares at launch was subsequently cancelled by the Court of Session to create the Buyback reserve and Special capital reserve. Gains arising on the resale of shares from treasury will be credited to this reserve. This reserve is non-distributable.

(b) Capital redemption reserve – the nominal value of any of the shares bought back for cancellation is added to this reserve. This reserve is non-distributable.

Notes to the Accounts (continued)

1. Accounting policies (continued)

(c) Buyback reserve – created from the Court cancellation of the share premium account which had arisen from premiums paid on the A Shares. Available as distributable profits to be used for the buy back of Shares. The cost of any shares bought back is deducted from this reserve. The cost of any Shares resold from treasury is added back to this reserve.

(d) Special capital reserve – created from the Court cancellation of the share premium account which had arisen from premiums paid on the B Shares. Available for paying capital returns on the B Shares.

(e) Capital reserve – investments sold (previously capital reserve realised) – gains and losses on realisation of investments, including losses on transactions in own shares, are dealt with in this reserve together with the proportion of management fees, interest and taxation allocated to capital. This reserve also includes dividends of a capital nature.

(f) Capital reserve – investments held (previously capital reserve unrealised) – increases and decreases in the valuation of investments and interest rate swaps held are accounted for in this reserve, together with unrealised exchange differences on forward foreign currency contracts.

(g) Revenue reserve – the net profit/(loss) arising in the revenue column of the Statement of Comprehensive Income is added to or deducted from this reserve. Available for paying dividends on the A shares.

Income

Dividends are recognised as income on the date that the related investments are marked ex-dividend.

Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established.

Interest income from fixed interest securities is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Other investment income and deposit interest are included on an accruals basis.

Special dividends of a non-capital nature are recognised through the revenue column of the Statement of Comprehensive Income. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, an amount equal to the cash dividend is recognised as income.

Call options

The Company may write call options over holdings within the Equities Portfolio, subject to certain constraints. The premium received from writing call options is recognised through revenue, on a time apportionment basis, over the term of the option. Should the call option be exercised the underlying stock is recognised as being sold at the exercise price.

At the period end, any unamortised element of option premium is recognised as deferred income.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred taxation

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.

Investment trusts which have approval under section 1158 Corporation Tax Act 2010 (formerly section 842 Income and Corporation Taxes Act 1988) are not liable for taxation on capital gains.

1. Accounting policies (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Expenses and interest

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except where incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio taking account of the expected long term split of returns as follows:

– Interest payable on the bank term loan is allocated 30 per cent to revenue and 70 per cent to capital.

– Management fees have been allocated 30 per cent to revenue and 70 per cent to capital. Performance fees and, where the base management fee is chargeable at a rate higher than 0.75 per cent, that part of the base fee above 0.75 per cent, will be charged wholly to capital.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the Statement of Comprehensive Income depending on whether the gain or loss is of a capital or revenue nature respectively.

Rates of exchange at 31 March	**2011**	2010
Euro	**1.1296**	1.1211
Dollar	**1.6030**	1.5169

2. Income

	2011	2010
	£'000	£'000
Income from investments		
UK dividend income	**4,175**	3,784
UK listed fixed interest	**1,544**	1,632
Overseas listed fixed interest	**703**	840
	6,422	6,256
Other income		
Deposit interest	**44**	83
Premium on call options written	**24**	112
Underwriting commission	**8**	9
Total income	**6,498**	6,460
Total income comprises:		
Dividends	**4,175**	3,784
Interest on fixed interest securities	**2,247**	2,472
Deposit interest	**44**	83
Premium on call options written	**24**	112
Underwriting commission	**8**	9
Total income	**6,498**	6,460
Income from investments:		
Listed	**6,422**	6,256

No income in the year arose on securities sold ex-dividend within one month of purchase cum-dividend.

Notes to the Accounts (continued)

3. Operating segments

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Group is engaged in a single segment of business, of investing in equity and higher yielding securities, and that therefore the Group has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance is the total return on the Group's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

4. Investment management fee

	2011 Revenue Return £'000	**2011 Capital Return £'000**	**2011 Total £'000**	2010 Revenue Return £'000	2010 Capital Return £'000	2010 Total £'000
Investment management fee	**234**	**545**	**779**	217	506	723

The Company's investment manager is F&C Investment Business Limited. The contract between the Company and F&C Investment Business Limited may be terminated at any date by either party giving six months' notice of termination. In the event of the Company terminating the contract by giving less than six months' notice, F&C Investment Business Limited is entitled to compensation calculated as a proportion of the fees payable by the Company in respect of the previous financial year.

F&C Investment Business Limited receives an investment management fee comprising a base fee and a performance fee.

The base fee is a management fee at 0.9 per cent per annum of the net asset value of the Company payable quarterly in arrears, subject to being reduced to 0.75 per cent if the net asset value at the end of the financial year is less than £1 per share.

The performance fee will be payable every five years, and will be 15 per cent. of the amount by which the Company's net assets, adding back the capital returns paid in respect of the B Shares, outperform its benchmark, the FTSE All-Share Capped 5% Index. Payment of the performance fee is conditional on both the net assets at the end of the five year period being not less than £1 per share, and on distributions per share having been paid in each year of the five year period that are no less, unless the Board otherwise agrees, than the distributions per share paid in respect of the first year of that period. The performance fee is capped at a sum equal to the aggregate base fees paid over the relevant five year period.

The performance fee will be accrued over the five year calculation period based on the performance fee which would have been payable had the investment management agreement been terminated at the balance sheet date. Accordingly, as the NAV per share was below £1 at the balance sheet date, no performance fee was accrued at 31 March 2011 (2010: nil). Other things being equal, had the Company's net asset value per share been in excess of £1, no performance fee would have been accrued at the balance sheet date (2010: nil).

Following a ruling by the European Court of Justice in June 2007 in favour of specific questions referred to it concerning UK investment trusts, a decision subsequently accepted by the UK Tax Authorities, the Company is exempt from paying VAT on its management fees. All VAT incurred by the Company prior to the ruling has been refunded in full.

5. Other expenses (including irrecoverable VAT thereon)

	2011 £'000	2010 £'000
Directors' fees (Note 6)	**104**	92
Auditors' remuneration for:		
– statutory audit	**19**	18
– interim review	**9**	9
– taxation services (non-audit)	**9**	12
Other	**320**	283
	461	414

6. Directors' fees

The emoluments of the Chairman, the highest paid Director, were at the rate of £27,750 per annum (2010: £27,000). Other Directors' emoluments amounted to £18,500 (2010: £18,000) each per annum, with the chairman of the Audit Committee receiving an additional £2,000 per annum. Full details are provided in the Directors' Remuneration Report.

7. Finance costs

	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000	2010 Revenue £'000	2010 Capital £'000	2010 Total £'000
Finance costs attributable to £33.5 million term loan and interest rate swap	**592**	**1,380**	**1,972**	593	1,385	1,978

An amount of £1,595,000 paid in relation to the interest rate swap has been included within hedged interest payments made in the year (2010: £1,501,000).

8a. Tax on ordinary activities

	2011 Revenue £'000	2011 Capital £'000	2011 Total £'000	2010 Revenue £'000	2010 Capital £'000	2010 Total £'000
Corporation tax	**284**	**(284)**	**–**	425	(406)	19
Irrecoverable withholding tax	**21**	**–**	**21**	–	–	–
Total tax charge/(credit)	**305**	**(284)**	**21**	425	(406)	19

8b. Factors affecting tax charge for current year

A reconciliation of the current tax charge is set out below:

	2011 £'000	2010 £'000
Profit before tax	**7,839**	35,284
Taxation on ordinary activities at the UK standard rate of corporation tax of 28% (2010: 28%)	**2,195**	9,880
Effects of:		
– Non taxable dividend income	**(1,169)**	(1,060)
– Non taxable capital gains	**(1,275)**	(8,943)
– Excess management expenses	**249**	123
– Irrecoverable withholding tax suffered	**21**	–
– Under-provision in prior year	**–**	19
Total current year tax charge for the year	**21**	19

The deferred tax asset of £329,000 (2010: £123,000) in respect of unutilised expenses at 31 March 2011 has not been recognised as it is uncertain that there will be taxable profits from which the future reversal of the deferred tax asset could be deducted.

Notes to the Accounts (continued)

9. Dividends and capital distributions	2011 Revenue Return £'000	2011 Capital Return £'000	2011 Total £'000	2010 Revenue Return £'000	2010 Capital Return £'000	2010 Total £'000
Amounts recognised as distributions to shareholders in the year:						
Fourth interim dividend for the prior year paid at 1.375p per A share	**1,314**	**–**	**1,314**	1,317	–	1,317
Fourth capital distribution for the prior year paid at 1.375p per B share	**–**	**441**	**441**	–	413	413
First interim dividend paid at 1.06p (2010: 1.325p) per A share	**1,014**	**–**	**1,014**	1,267	–	1,267
First capital distribution paid at 1.06p (2010: 1.325p) per B share	**–**	**340**	**340**	–	413	413
Second interim dividend paid at 1.06p (2010: 1.325p) per A share	**1,013**	**–**	**1,013**	1,267	–	1,267
Second capital distribution paid at 1.06p (2010: 1.325p) per B share	**–**	**340**	**340**	–	424	424
Third interim dividend paid at 1.06p (2010: 1.325p) per A share	**1,013**	**–**	**1,013**	1,266	–	1,266
Third capital distribution paid at 1.06p (2010: 1.325p) per B share	**–**	**339**	**339**	–	425	425
	4,354	**1,460**	**5,814**	5,117	1,675	6,792
Amounts relating to the year but not paid at the year end:						
Fourth interim dividend payable at 1.1p (2010: 1.375p) per A share	**1,047**	**–**	**1,047**	1,314	–	1,314
Fourth capital distribution payable at 1.1p (2010: 1.375p) per B share	**–**	**353**	**353**	–	441	441
	1,047	**353**	**1,400**	1,314	441	1,755

	2011 £'000
Revenue available for distribution by way of dividends for the year	**4,906**
First quarterly interim dividend of 1.06p per A share paid in respect of the year ended 31 March 2011	**(1,014)**
Second quarterly interim dividend of 1.06p per A share paid in respect of the year ended 31 March 2011	**(1,013)**
Third quarterly interim dividend of 1.06p per A share in respect of the year ended 31 March 2011	**(1,013)**
Fourth quarterly interim dividend of 1.1p per A share in respect of the year ended 31 March 2011*	**(1,047)**
Undistributed revenue for the purposes of Section 1158 of the Corporation Tax Act 2010 (see page 16)	**819**

*based on 95,178,144 A shares in issue at 6 April 2011.

10. Earnings per share

The Company's earnings per share are based on the profit for the year of £7,818,000 (year to 31 March 2010: £35,265,000) and on 95,543,076 A shares (2010: 95,595,897) and 32,051,703 B shares (2010: 31,453,607), being the weighted average number of shares in issue of each share class during the year.

The Company's revenue earnings per share are based on the revenue profit for the year of £4,906,000 (year to 31 March 2010: £4,811,000) and on the weighted average number of shares in issue as above.

The Company's capital earnings per share are based on the capital profit for the year of £2,912,000 (year to 31 March 2010: £30,454,000) and on the weighted average number of shares in issue as above.

11. Investments held at fair value through profit or loss

	Company 2011 £'000	**Group 2011 £'000**	Company 2010 £'000	Group 2010 £'000
Listed securities	**136,524**	**136,524**	132,099	132,099
Subsidiary undertaking	**250**	**–**	250	–
	136,774	**136,524**	132,349	132,099

	Company			Group
	Listed/ Quoted (Level 1) £'000	Subsidiary/ Unlisted (Level 3) £'000	Total £'000	Listed/Quoted (Level 1) Total £'000
Opening book cost	127,548	250	127,798	127,548
Opening fair value adjustment	4,551	–	4,551	4,551
Opening valuation	132,099	250	132,349	132,099
Movements in the year:				
Purchases at cost	19,131	–	19,131	19,131
Sales – proceeds	(18,901)	–	(18,901)	(18,901)
– gains on sales	595	–	595	595
Increase in fair value adjustment	3,600	–	3,600	3,600
Closing valuation at 31 March 2011	136,524	250	136,774	136,524
Closing book cost at 31 March 2011	128,373	250	128,623	128,373
Closing fair value adjustment	8,151	–	8,151	8,151
Closing valuation at 31 March 2011	**136,524**	**250**	**136,774**	**136,524**

Level 1 includes liquid investments listed on any recognised stock exchange or quoted on the AIM market in the UK.

Level 2 includes investments for which the quoted price has been suspended.

Level 3 includes investments in private companies or securities.

	Company 2011 £'000	**Group 2011 £'000**	Company 2010 £'000	Group 2010 £'000
Equity investments	**104,823**	**104,573**	93,250	93,000
Fixed interest – UK denominated	**21,238**	**21,238**	26,061	26,061
– Overseas denominated	**10,713**	**10,713**	13,038	13,038
	136,774	**136,524**	132,349	132,099
Net gains/(losses) on realisation of investments	**595**	**595**	(1,010)	(1,010)
Movement in fair value	**3,600**	**3,600**	32,197	32,197
Gains on investments	**4,195**	**4,195**	31,187	31,187

The Group incurred transaction costs of £82,000 (2010: £128,000) on the purchase of assets and £11,000 (2010: £12,000) on the sale of assets in the year.

Net gains/(losses) on realisation of investments during the year represents the difference between the net proceeds of sale and the book cost of the investments sold.

Movement in fair value represents the increase in the difference between the book cost of investments held and their market value at 31 March 2011 compared with the difference between the book cost of investments held and their market value at 31 March 2010.

Notes to the Accounts (continued)

12. Significant interests

As at 31 March 2011, the Company's subsidiary undertaking which deals in investments is:

Name	Country of Incorporation or Registration	Class of Capital	Share Capital and Reserves £'000	Profit for the year £'000	% of Class held	% of Equity held	Valuation at 31.03.11 £'000
Investors Securities Company Limited	Scotland	Ordinary	250	–	100	100	250

At 31 March 2011, no investments were held by the dealing subsidiary and it did not trade during the year.

13. Other receivables

	Company 2011 £'000	**Group 2011 £'000**	Company 2010 £'000	Group 2010 £'000
Due from brokers	**90**	**90**	739	739
Income receivable from shares and securities	**1,319**	**1,319**	1,482	1,482
Unrealised gain on foreign exchange currency contracts	**–**	**–**	156	156
Taxation recoverable	**–**	**–**	34	34
Sundry debtors	**13**	**13**	19	19
	1,422	**1,422**	2,430	2,430

14. Cash and cash equivalents

All cash balances were held in cash, current accounts or in banks on short term deposits with an original maturity of three months or less at the year end.

15. Other payables

	Company 2011 £'000	**Group 2011 £'000**	Company 2010 £'000	Group 2010 £'000
Due to brokers	**1,424**	**1,424**	933	933
Unrealised loss on foreign exchange currency contracts	**277**	**277**	–	–
Loan from subsidiary undertaking	**250**	**–**	250	–
Accrued expenses	**97**	**97**	98	98
Investment management fee	**85**	**85**	91	91
	2,133	**1,883**	1,372	1,122

16. Non-current liabilities

	Company and Group 2011 £'000	Company and Group 2010 £'000
£33.5 million term loan maturing 28 September 2012	**33,490**	33,482
Interest rate swap	**2,019**	3,160
	35,509	36,642

16. Non-current liabilities (continued)

The term loan with Lloyds TSB Scotland plc carries interest at 0.375 per cent over LIBOR; this variable rate has been fixed through an interest rate swap, which matures on 28 September 2012, and results in an effective interest rate of 5.8635 per cent per annum. Interest on both the term loan and interest rate swap is payable quarterly. An administration fee of £39,000 was payable on drawdown and is being amortised over the life of the loan on an effective interest rate basis.

The term loan contains certain financial covenants with which the Company must comply. These include a financial covenant to the effect that the percentage of the total amounts drawn down under the term loan (together with any other borrowings) should not exceed 45 per cent of the Company's qualifying investments (including cash). The Company must also ensure that at all times it holds investments in not less than 30 different companies covering not less than five different industry sectors. The Company complied with the required financial covenants throughout the year.

The fair value of the interest rate swap at 31 March 2011 is estimated at a liability of £2,019,000 (2010: £3,160,000). The swap is designated and effective as a cash flow hedge and the fair value thereof has been deferred in equity.

17. Share capital

	£'000
Authorised share capital at 31 March 2010 and 31 March 2011	
225,000,000 A Shares of 0.1p each	225
75,000,000 B Shares of 0.1p each	75
	300

Allotted, issued and fully paid

	Listed		Held in Treasury		In Issue	
	Number	£	Number	£	Number	£
A Shares of 0.1p each						
Balance at 1 April 2010	102,067,144	102,067	(6,489,000)	(6,489)	95,578,144	95,578
Repurchased to be held in treasury	–	–	(400,000)	(400)	(400,000)	(400)
Balance at 31 March 2011	**102,067,144**	**102,067**	**(6,889,000)**	**(6,889)**	**95,178,144**	**95,178**
B Shares of 0.1p each						
Balance at 1 April 2010	32,076,703	32,077	(25,000)	(25)	32,051,703	32,052
Repurchased to be held in treasury	–	–	–	–	–	–
Balance at 31 March 2011	**32,076,703**	**32,077**	**(25,000)**	**(25)**	**32,051,703**	**32,052**
Total at 31 March 2011	**134,143,847**	**134,144**	**(6,914,000)**	**(6,914)**	**127,229,847**	**127,230**

During the year the Company bought back 400,000 (2010: 240,000) A Shares to hold in treasury at a cost of £328,000 (2010: £146,000) and nil (2010: 80,000) B Shares to hold in treasury at a cost of £nil (2010: £48,000). The Company did not buy back any shares for cancellation nor resell any shares from treasury during the year (2010: 2,105,000 B shares were re-sold from treasury, receiving net proceeds of £1,426,000).

At 31 March 2011 the Company held 6,889,000 (2010: 6,489,000) A Shares and 25,000 (2010: 25,000) B Shares in treasury.

Shareholder entitlements

The Company has two classes of shares: A Shares and B Shares. The rights of each class of shares are identical, save in respect of the right to participate in dividends and capital returns. A Shares are entitled to all dividends paid by the Company and no dividends may be paid to B Shareholders. B Shareholders are entitled to capital distributions from the Company at an amount per share equal to, but not exceeding, any dividend paid per share to A Shareholders.

Notes to the Accounts (continued)

17. Share capital (continued)

The net asset value attributable to each class of share is the same. Apart from voting rights entitlements at separate class meetings, every A Share and every B Share carries equal voting rights. Upon a winding up or reconstruction of the Company, each A Share and each B Share shall have an equal right to share in the residual assets of the Company.

18. Share premium account and reserves

In 2007, the Court of Session confirmed the cancellation of the entire amount originally standing to the credit of the share premium account and the creation of two distinct reserves, the first reserve relating to that part of the cancelled share premium account arising from premiums paid on the A Shares (the ''buy back reserve'') and the second reserve relating to that part of the cancelled share premium account arising from premiums paid on the B Shares (the ''special capital reserve'').

The Company will apply these two reserves as follows:

- the buy back reserve will be available as distributable profits to be used for the buy back of both A shares and B shares; and
- the special capital reserve will be used for the purpose of paying capital returns on the B Shares.

Capital management

The Company's capital is represented by the issued share capital, share premium account, capital redemption reserve, buy back reserve, special capital reserve, capital reserve – investments sold, capital reserve – investments held and revenue reserve. Details of the movement through each reserve are shown in the Statement of Changes in Equity. The Company is not subject to any externally imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective, both of which are detailed in the Report of the Directors.

The Company has the power under its Articles to borrow an amount up to 100 per cent. of the Company's Adjusted Capital and Reserves. The Directors currently intend that the aggregate borrowings of the Company will be limited to approximately 20 per cent. of the Company's gross assets immediately following drawdown of any new borrowings. The Directors will, however, retain flexibility to increase or decrease the level of gearing to take account of changing market circumstances and in pursuit of the Company's investment objectives.

19. Net asset value per share

The Company's basic net asset value per share of 85.56p (2010: 83.09p) is based on the equity shareholders' funds of £108,860,000 (2010: £106,043,000) and on 127,229,847 equity shares, consisting of 95,178,144 A Shares and 32,051,703 B Shares (2010: 127,629,847 equity shares, consisting of 95,578,144 A Shares and 32,051,703 B Shares), being the number of shares in issue at the year end.

The Company's shares may also be traded as units, each unit consisting of three A Shares and one B Share. The basic net asset value per unit as at 31 March 2011 was therefore 342.24p (2010: 332.36p).

The Company's treasury net asset value per share, incorporating the 6,889,000 A shares and 25,000 B shares held in treasury at the year end, was 85.38p (2010: 82.94p). The Company's treasury net asset value per unit at the end of the year was 341.52p (2010: 331.76p). The Company's policy is to only re-sell shares held in treasury at a price representing a discount of not more than 5 per cent to net asset value at the time of sale, together with other conditions. Accordingly, for the purpose of the calculation, such treasury shares are valued at the higher of net asset value less 5 per cent and the mid market share price at each year end.

20. Analysis of changes in net debt

	At 1 April 2010 £'000	Cash flow £'000	Currency movements £'000	Non-cash movements £'000	**At 31 March 2011 £'000**
Cash and cash equivalents	9,278	(1,762)	790	–	**8,306**
Bank loan	(33,482)	–	–	(8)	**(33,490)**
Net debt	(24,204)	(1,762)	790	(8)	**(25,184)**

21. Financial instruments

The Company's financial instruments comprise equity and fixed interest investments, cash balances, receivables and payables that arise directly from its operations and borrowings which include an interest rate swap. As an investment trust the Company holds a portfolio of financial assets in pursuit of its investment objective. The Company makes use of borrowings to achieve enhanced returns. The downside risk of borrowings can be reduced by raising the level of cash balances held. At 31 March 2011, borrowings were exceeded in value by cash balances and fixed interest securities resulting in a net ungeared exposure to equities.

The Company may use derivatives for efficient portfolio management from time to time. The only derivatives used in the year were the interest rate swap on the bank loan, forward foreign exchange currency contracts to hedge currency movements and the writing of call options over some investments held in the Equities Portfolio.

The fair value of the financial assets and liabilities of the Company at 31 March 2011 is not materially different from their carrying value in the financial statements.

The Company is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, market price risk, liquidity risk, interest rate risk and foreign currency risk.

The Board reviews and agrees policies for managing its risk exposure. These policies are summarised below and have remained unchanged for the year under review.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company.

The Company's principal financial assets are bank balances and cash, other receivables and investments, which represent the Company's maximum exposure to credit risk in relation to financial assets. The Company did not have any exposure to any financial assets which were past due or impaired at the year end.

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. A list of pre-approved counterparties used in such transactions is maintained and regularly reviewed by the Manager, and transactions must be settled on a basis of delivery against payment. Broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the acceptable quality of the brokers used. The rate of default in the past has been insignificant.

All of the assets of the Company, other than the dealing subsidiary, are held by JPMorgan Chase Bank, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to the securities held by the custodian to be delayed or limited. The Board monitors the Company's risk by reviewing the custodian's internal control reports as described in the Report of the Directors.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, normally rated AA or higher, assigned by international credit rating agencies. Bankruptcy or insolvency of such financial institutions may cause the Company's ability to access cash placed on deposit to be delayed, limited or lost. The Company has no significant concentration of credit risk with exposure spread over a number of counterparties and financial institutions.

Market price risk

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The Group's strategy for the management of market price risk is driven by the Company's investment policy as outlined within the Report of the Directors. The Board sets policies for managing this risk and meets regularly to review full, timely and relevant information on investment performance and financial results. The management of market price risk is part of the fund management process and is typical of equity and fixed interest investment. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis with an objective of maximising overall returns to shareholders. Investment and portfolio performance are discussed in more detail in the Manager's Review and further information on the investment portfolio is set out in the sections of this report entitled 'Classification of Investments', 'Equities Portfolio' and 'Higher Yield Portfolio'.

Any changes in market conditions will directly affect the profit or loss reported through the Statement of Comprehensive Income. A 25 per cent increase in the value of the Equities Portfolio as at 31 March 2011 would have increased net assets and income for the year by £26,143,000 (2010: an increase of 25 per cent would have increased net assets and income by £23,250,000). A decrease of 25 per cent (2010: 25 per cent) would have had an equal but opposite effect.

A 10 per cent increase in the value of the Higher Yield Portfolio as at 31 March 2011 would have increased net assets and income for the year by £3,195,000 (2010: an increase of 10 per cent would have increased net assets and income by £3,910,000). A decrease of 10 per cent (2010: 10 per cent) would have had an equal but opposite effect.

Notes to the Accounts (continued)

21. Financial instruments (continued)

Market price risk (continued)

The calculations above are based on investment valuations at the respective balance sheet dates and are not representative of the year as a whole, nor reflective of future market conditions.

Disclosure of the hierarchy of fair value measurements for financial instruments, as required by IFRS 7, is provided in note 11 and in the accounting policies.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet financial commitments. The risk of the Company not having sufficient liquidity at any time is not considered by the Board to be significant, given the liquid nature of the portfolio of investments and the level of cash and cash equivalents ordinarily held. However, where there has been a deterioration in credit quality or an event of default the Company may not be able to liquidate quickly, at fair value, some of its investments in the Higher Yield Portfolio. Cash balances are held with reputable banks with a credit rating of normally AA or higher, usually on overnight deposit. The Manager reviews liquidity at the time of making each investment decision. The Board reviews liquidity exposure at each meeting.

In certain circumstances, the terms of the Company's bank loan entitle the lender to demand early repayment and, in such circumstances, the Company's ability to maintain dividend levels and the net asset value attributable to equity shareholders could be adversely affected. Such early repayment may be required in the event of a change of control of the Company or on the occurrence of certain events of default which are customary for facilities of this type. These include events of non payment, breach of other obligations, misrepresentations, insolvency and insolvency proceedings, illegality and a material adverse change in the financial condition of the Company.

The remaining contractual maturities of the financial liabilities at 31 March 2011, based on the earliest date on which payment can be required, were as follows:

	Three months or less £'000	More than three months but less than one year £'000	More than one year but less than two years £'000	Total £'000
Current Liabilities:				
Other payables	2,133	–	–	2,133
Long-term liabilities:				
Bank Loan and interest rate swap	491	1,473	34,481	36,445

The figures in the above table are on a contractual maturity basis and therefore include interest payments where applicable.

Interest rate risk

Some of the Company's financial instruments are interest bearing. They are a mix of both fixed and variable rate instruments with differing maturities. As a consequence, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rate.

Floating rate

When the Company retains cash balances the majority of the cash is held in deposit accounts. The benchmark rate which determines the interest payments received on cash balances is the bank base rate, which was 0.5 per cent at 31 March 2011 (2010: 0.5 per cent).

Fixed rate

The Company holds fixed interest investments and has fixed interest liabilities.

	2011			2010		
	£'000	**Weighted average interest rate**	**Average duration until maturity**	£'000	Weighted average interest rate	Average duration until maturity
Fixed interest investments:						
Higher Yield Portfolio	**31,951**	**5.4%***	**3.1 years**	39,099	5.2%*	3.1 years
Fixed interest liabilities:						
£33.5 million term loan and interest rate swap	**35,509**	**5.9%**	**1.5 years**	36,642	5.9%	2.5 years

*The weighted average interest rate on the Higher Yield Portfolio assumes that all fixed interest investments are held to redemption and that full redemption value is received.

21. Financial instruments (continued)

Interest rate risk (continued)

Fixed rate (continued)

The Company's Equities Portfolio does not contain any fixed interest or floating rate interest assets. Details of the Company's Equities Portfolio are given in Note 11 and in the section of this report entitled 'Equities Portfolio'.

The £33.5 million term loan has been classified as fixed interest as the variable rate loan has been fixed by an interest rate swap, of the same nominal value and duration as the loan.

Considering the effect on the term loan and interest rate swap, it is estimated that an increase of 100 basis points in interest rates as at the balance sheet date would have decreased their fair value liability by approximately £499,000 (2010: £831,000). A decrease of 100 basis points would have increased their fair value liability by approximately £512,000 (2010: £860,000). These calculations are based on the balance of the term loan and interest rate swap at the respective balance sheet date and are not representative of the year as a whole, nor reflective of future market conditions.

Considering the effect on cash balances, an increase of 100 basis points in interest rates would have increased net assets and income for the year by £83,000 (year to 31 March 2010: £93,000). A decrease of 100 basis points would have had an equal but opposite effect. The calculations are based on the cash balances at the respective balance sheet date and are not representative of the year as a whole, nor reflective of future market conditions.

Foreign currency risk

In order to achieve a diversified portfolio of higher yielding securities the Company invests partly in overseas securities which gives rise to currency risks. In the year to 31 March 2011, the Company entered into US Dollar and Euro foreign exchange currency contracts with a view to hedging these currency risks. Foreign currency exposure at 31 March 2011 was as follows:

	2011				2010			
	Investments £'000	**Net Current Assets £'000**	**Cash £'000**	**Total £'000**	Investments £'000	Net Current Assets £'000	Cash £'000	Total £'000
US Dollar	**3,379**	**(28)**	**5**	**3,356**	3,517	146	206	3,869
Euro	**7,334**	**(263)**	**326**	**7,397**	9,521	–	–	9,521
	10,713	**(291)**	**331**	**10,753**	13,038	146	206	13,390

As at 31 March 2011 the foreign exchange currency contracts not yet realised were as follows:

	2011 Hedged amount £'000	**2011 Unrealised gain/(loss) £'000**	2010 Hedged amount £'000	2010 Unrealised gain/(loss) £'000
US Dollars for Sterling	**3,354**	**(28)**	3,709	16
Euro for Sterling	**7,428**	**(249)**	9,621	140
	10,782	**(277)**	13,330	156

Total gains in the year from foreign exchange currency contracts and balances held in cash were £358,000 (2010: £752,000). All foreign exchange currency contracts in place at 31 March 2011 are due to expire during the following year.

Given the policy to hedge currency risk on non-sterling denominated assets by entering into forward foreign exchange currency contracts, the weakening or strengthening of Sterling against either the US Dollar or Euro would not have had a significant net impact on the total column of the Consolidated Statement of Comprehensive Income for the year or the net asset value as at 31 March 2011.

Shareholder Information

Dividends

Dividends on A shares and capital distributions on B shares are paid quarterly in August, November, February and May each year. Shareholders who wish to have distributions paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Equiniti Limited (see Corporate Information page for contact details) on request. The Company operates the BACS system for the payment of distributions. Where distributions are paid directly into shareholders' bank accounts, dividend and capital distribution tax vouchers are sent directly to shareholders' registered addresses.

Reinvestment of Returns

The Company has established a distribution reinvestment scheme to enable B shareholders to reinvest their capital distributions in further B shares. B shares acquired through the distribution reinvestment scheme will be acquired through the secondary market and will be subject to stamp duty at 0.5 per cent of the acquisition price.

The B Shares Capital Return Reinvestment Plan scheme document and an application form can be obtained from Equiniti Limited (see Corporate Information page for contact details).

If you hold B shares through one of the F&C savings plans, you can elect to have the quarterly distributions automatically reinvested to buy further shares; contact F&C for further information.

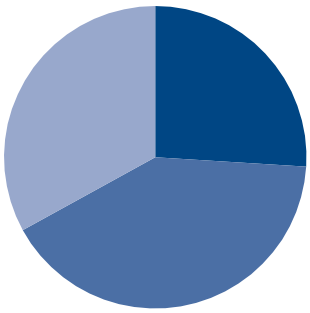
Share Prices and Daily Net Asset Value

The Company's securities are listed on the London Stock Exchange under 'Investment Trusts'. Prices are given daily in the *Financial Times* and other newspapers. The net asset value of the Company's shares can be obtained by contacting F&C Asset Management Investment Services on 0845 600 3030.

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 Equiniti Limited, under the signature of the registered holder

Profile of the Company's Ownership
% of Shares held at 31 March 2011



- F&C Asset Management Retail Products 27% (2010: 26%)
- Institutions 41% (2010: 41%)
- Individuals and Private Client Stockbrokers 32% (2010: 33%)

Warning to shareholders – Boiler Room Scams

In recent years, many companies have become aware that their shareholders have been targeted by unauthorised overseas-based brokers selling what turn out to be non-existent or high risk shares, or expressing a wish to buy their shares. If you receive unsolicited investment advice or requests:

- Make sure you get the correct name of the person or organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/pages/register/
- Report the matter to the FSA by calling 0845 606 1234
- If the calls persist, hang up.

More detailed information on this can be found on the CFEB website www.moneymadeclear.fsa.gov.uk

Financial Calendar 2011/12

28 June 2011	Annual General Meeting
August 2011	Interim Management Statement for quarter to 30 June 2011
5 August 2011	First quarter's distribution paid (XD Date 6 July 2011)
4 November 2011	Second quarter's distribution paid (XD Date 5 October 2011)
November 2011	Announcement of Interim Results
3 February 2012	Third quarter's distribution paid (XD Date 4 January 2012)
February 2012	Interim Management Statement for quarter to 31 December 2011
May 2012	Fourth quarter's distribution paid (XD Date April 2012)
May 2012	Announcement of Annual Results and Posting of Annual Report
June 2012	Annual General Meeting

Capital Gains Tax

The information below is to assist shareholders of the Company and the predecessor Company with capital gains tax.

The undernoted values as at 31 March 1982 are to assist shareholders and debenture stockholders, with regard to capital gains tax.

Ordinary Shares	25⅞p
4% Debenture Stock	23¼p
3.675% Preference Stock	34½p
7¼% Debenture Stock	55¼p

The undernoted amounts are to assist shareholders and warrantholders with regard to capital gains tax, following the capital reorganisation in December 1994:

	First day of dealing value	Apportionment factor
Growth Shares	84¼p	0.6844
Income Annuity Shares	36¼p	0.2912
Warrants	15p	0.0244

The income annuity shares are not considered to be wasting assets for capital gains tax purposes.
The undernoted amounts are to assist shareholders and warrantholders with regard to capital gains tax, following the capital reorganisation in June 2001:

	First day of dealing value	Apportionment factor
Zero Dividend Preference Shares	35¾p	0.3488
Income Shares	53¾p	0.5244
Capital Shares	13p	0.1268

In respect of **reo**® UK Tracker Fund shares received, their base cost will represent the remaining base cost after the apportionment, if any, of the base cost to the other share classes.

The undernoted amounts are to assist shareholders with regard to capital gains tax, following the capital reorganisation in February 2007:

	First day of dealing value
A Shares	95.875p
B Shares	95.875p

A Unit comprises of three A shares and one B share and capital gains tax calculations should be based on the separate A and B shareholdings. For a Unit holding, the base costs should be apportioned between the A shares and the B shares in the factors 0.75 and 0.25 respectively.

How to Invest

As well as investing in Investors Capital Trust plc directly through a stockbroker, there are some additional benefits of investing through one of the savings plans run by F&C Management Limited ('F&C').

You can enjoy the convenience of making regular savings by Direct Debit, take advantage of our tax-efficient ISA wrapper, receive a simple statement every six months and let us automatically reinvest your dividends for you.

F&C Private Investor Plan

A flexible, low cost way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at anytime from £250.

F&C Investment Trust ISA

Use your ISA allowance to invest up to £10,680 tax efficiently each year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at anytime from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund ('CTF')

F&C is a leading provider of CTFs which can be opened for all children born between 1 September 2002 and 31 December 2010, using the government's CTF voucher. The maximum that can be invested annually is £1,200 and, depending on the type of CTF opened, investments can start from as little as £10 a month.

F&C Children's Investment Plan

Aimed at older children ineligible for a CTF, or if you need access to the funds before the child is 18. This flexible plan can easily be written under trust to help reduce inheritance tax liability. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at anytime from £100.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual.

Low charges

All the plans are low cost and flexible. When you buy or sell shares in these plans the dealing fee is only 0.2 per cent. Government stamp duty of 0.5 per cent also applies on purchases (where applicable). There are no initial or exit charges. The only annual management fee is on the ISA, which is £60 + VAT (no matter how many ISAs you take out annually with F&C, or how many ISAs you transfer). The CTF has no initial charges, dealing charges or annual management fee.

How to Invest

You can invest in all our savings plans online, except for the CTF. It's simple to register and invest using your debit card. Alternatively, please contact us for application forms.

New Customers:
Contact our Investor Services Team:

Call: **0800 136 420**
Email: **info@fandc.com**
Investing online: **www.fandc.com**

Existing Plan Holders:
Contact our Investor Services Team:

Call: **0845 600 3030**
Email: **investor.enquiries@fandc.com**
By post: F&C Plan Administration Centre
Block C, Western House
Lynch Wood Business Park
Peterborough, PE2 6BP

Calls may be recorded.

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape. Please call 0845 600 3030.

The above has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Services Authority.

Notice of Annual General Meeting

Notice is hereby given that the Fourth Annual General Meeting of Investors Capital Trust plc will be held at 80 George Street, Edinburgh, on 28 June 2011 at 12.30 pm for the following purposes. To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 6 and 9 will be proposed as Ordinary Resolutions and Resolutions 7, 8, 10 and 11 as Special Resolutions:

Ordinary Resolutions

1. That the Report and Accounts for the year to 31 March 2011 be received.

2. To approve the Directors' Remuneration Report for the year to 31 March 2011.

3. That Mr H Post be re-elected as a Director.

4. That Mrs J Le Blan, who was appointed as a Director during the year, be elected.

5. That Ernst & Young LLP be re-appointed as Auditors and the Directors be authorised to determine their remuneration.

6. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the ''Act'') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (''Securities'') provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £4,759 in respect of A Shares and £1,603 in respect of B Shares, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

Special Resolutions

7. That, subject to the passing of resolution number 6 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the ''Act''), to allot equity securities (as defined in Section 560 of the Act, provided that for the purposes of this resolution an allotment of equity securities shall be deemed not to include the sale of shares in the Company that immediately before the sale are held by the Company as treasury shares) for cash pursuant to the authority given by resolution number 6 above as if Section 561(1) of the Act did not apply to any such allotment of equity securities, provided that this power:

   (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

   (b) shall be limited to the allotment of equity securities up to an aggregate nominal value of £4,759 in respect of A Shares and £1,603 in respect of B Shares (being approximately 5 per cent of the nominal value of the issued share capital of the Company, as at 10 May 2011) at a price of not less than the net asset value per share of the existing A Shares (in the case of an allotment of A Shares) or B Shares (in the case of an allotment of B Shares).

Notice of Annual General Meeting (continued)

8. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the ''Act'') to make market purchases (within the meaning of section 693(4) of the Act) of fully paid A shares of 0.1 pence each in the capital of the Company and B Shares of 0.1p each in the share capital of the Company (''A and/or B Shares'') (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:

   (a) the maximum aggregate number of A and B Shares hereby authorised to be purchased is 14.99 per cent of the issued A Shares and 14.99 per cent of the issued B Shares (excluding A and B Shares held in treasury) immediately prior to the passing of this resolution;

   (b) the minimum price (excluding expenses) which may be paid for an A or B Share is 0.1 pence;

   (c) the maximum price (excluding expenses) which may be paid for an A or B Share shall not be more than the higher of:

      i. 5 per cent. above the average of the middle market values (as derived from the Daily Official List of the London Stock Exchange) of an A or B Share 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 London Stock Exchange; and

   (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company's next annual general meeting or on 28 September 2012 whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase A and/or B Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of A and/or B Shares pursuant to any such contract.

Ordinary Resolution

9. That, subject to the passing of Resolution 10 to be proposed at the Annual General Meeting of the Company convened for 28 June 2011 (''Resolution 10''), the Directors of the Company be authorised, for the purposes of paragraph 15.4.11 of the Listing Rules of the United Kingdom Listing Authority, to sell A Shares and/or B Shares in the capital of the Company held in treasury for cash at a price below the net asset value per share of the existing A Shares and/or B Shares in issue pursuant to the authority conferred by Resolution 10, provided always that Shares will only be resold from treasury at a price representing a discount of not more than 5 per cent to net asset value at the time of resale, subject to the conditions that, first, the discount at which such Shares are to be resold must be less than the average discount at which Shares held in treasury have been repurchased and, second, the net asset value dilution associated with the sale of treasury shares in any one financial year must not exceed 0.5 per cent of net assets.

Special Resolutions

10. That, the Directors of the Company be and they are hereby empowered pursuant to section 573 of the Companies Act 2006 (as amended) (the ''Act'') to sell equity securities (within the meanings of sections 560(1) and 560(2) of the Act) wholly for cash as if section 561 of the Act did not apply to any such sale, provided that this power shall be limited to the sale of equity securities for cash out of treasury up to an aggregate nominal amount of £9,518 in respect of A Shares and £3,205 in respect of B Shares, representing approximately 10 per cent of the Company's A share capital in issue as at the date of the passing of this resolution and approximately 10 per cent of the Company's B share capital in issue as at the date of the passing of this resolution and shall expire on the earlier of 28 September 2012 and the conclusion of the Annual General Meeting of the Company to be held in 2012, unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers, agreements or arrangements which would or might require equity securities to be allotted after such expiry and so that the

Directors of the Company may allot equity securities in pursuance of such offers, agreements or arrangements as if the power conferred hereby had not expired.

11. That, the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company or 28 September 2012, whichever is the earlier (all dates inclusive).

By order of the Board
For F&C Investment Business Limited
Company Secretary
80 George Street
Edinburgh EH2 3BU

10 May 2011

Notes

1. A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the duly executed enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the address shown on the proxy form not later than 48 hours before the time of the meeting or, in the case of an adjourned meeting, no later than 48 hours before the holding of that adjourned meeting (or in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, no later than 24 hours before the time appointed for the taking of the poll). In the calculation of these time periods, no account is taken of any part of a day that is not a working day. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. Any power of attorney or any other authority under which this proxy is signed (or a duly certified copy of such power or authority) must be included with the proxy form. On a poll each A shareholder is entitled to one vote per A share held and each B shareholder is entitled to one vote per B share held.

2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual and by logging on to www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

3. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a ''CREST Proxy Instruction'') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (''Euroclear'') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, in order to be valid, must be transmitted so as to be received by the Company's agent (ID RA19) by the latest time for receipt of proxy appointments specified in Note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

4. 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.

5. A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a ''Nominated Person'') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General 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.

   The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those holders of shares entered on the Register of Members of the Company as at 6.00 p.m. on 24 June 2011 or, in the event that the meeting is adjourned, on the Register of Members as at 6.00 pm on the day two days (excluding non-working days) prior to any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of Shares registered in their names at that time. Changes to the entries on the Register of Members after 6.00 p.m. on 24 June 2011 or, in the event that the meeting is adjourned, in the Register of Members as at 6.00 pm on the day two days prior to any adjourned meeting (excluding non-working days), shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the Articles of Association of the Company or other instrument to the contrary.

7. As at 10 May 2011 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 95,178,144 A shares carrying one vote each and

Notice of Annual General Meeting (continued)

32,051,703 B shares carrying one vote each. The Company holds 6,889,000 A shares and 25,000 B shares in treasury which do not carry voting rights. Therefore the total voting rights in the Company as at 10 May 2011 were 127,229,847 votes. Any person holding 3 per cent of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.

8. No Director has a contract of service with the Company. The Directors' letters of appointment will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and for 15 minutes prior to, and during, the Annual General Meeting.

9. Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from www.investorscapital.co.uk.

10. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

    (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

    (b) the answer has already been given on a website in the form of an answer to a question; or

    (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

11. The members of the Company may require the Company to publish, on its website (without payment), a statement (which is also passed to the Company's auditor) setting out any matter relating to the audit of the Company's accounts, including the auditor's report and the conduct of the audit. The Company will be required to do so once it has received such requests from either members representing at least 5 per cent of the total voting rights of the Company or at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address and be sent to 80 George Street, Edinburgh EH2 3BU.

12. In accordance with section 338 of the Companies Act 2006, shareholders may require the Company to give members notice of a resolution which may properly be moved and is intended to be moved at the Annual General Meeting. The resolution must be received by the Company not later than 17 May 2011. The resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise). The resolution must not be defamatory of any person, frivolous or vexatious. The request must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported. The Company becomes required to give members notice of a resolution to be moved at the Annual General Meeting once a) members with at least 5 per cent of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted a request to the Company in accordance with the provisions of this paragraph 12. Members seeking to do this should write to the Company providing their full name and address.

13. In accordance with section 338A of the Companies Act 2006, shareholders may require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must be received by the Company not later than 17 May 2011. The matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. The Company becomes required to give members notice of a resolution to be moved at the Annual General Meeting once a) members with at least 5 per cent of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted such a request to the Company in accordance with the provisions of this paragraph 13. Members seeking to do this should write to the Company providing their full name and address.

14. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

Corporate Information

Directors
I A McLaren (Chairman)
J Le Blan
H Post
K D Shand
J P Williams

Registered Office
80 George Street
Edinburgh EH2 3BU
Tel No. 0207 628 8000
Facsimile No. 0131 225 2375

Investment Managers and Company Secretary
F&C Investment Business Limited
80 George Street
Edinburgh EH2 3BU

Registrars and Transfer Office
Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Registrars' Shareholder Helpline
Tel No. 0871 384 2470*

Registrars' Broker Helpline
Tel No. 0871 384 2779†

Registrars' Overseas Helpline
Tel No. +44 121 415 7047**

Brokers
Cenkos Securities plc
6-7-8 Tokenhouse Yard
London EC2R 7AS

Auditors
Ernst & Young LLP
1 More London Place
London SE1 2AF

Principal Bankers
JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ

Solicitors
Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Company Number
SC314671

*Calls to this number cost 8p per minute from a BT Landline. Other telephony providers' costs may vary. Lines open 8.30 am to 5.30 pm, Monday to Friday.

†Calls to this number cost £1 per minute from a BT Landline. Other telephony providers' costs may vary. Lines open 8.30 am to 5.30 pm, Monday to Friday.

**Local overseas call rates will apply.

MLG Edinburgh 9635

Registered Office

80 George Street

Edinburgh EH2 3BU

Tel: 0207 628 8000

Fax: 0131 225 2375

Registrars

Equiniti Limited

Aspect House

Spencer Road

Lancing

West Sussex BN99 6DA

Registrars' Shareholder Helpline: 0871 384 2470*

Registrars' Broker Helpline: 0871 384 2779†

Registrars' Overseas Helpline: Tel No. +44 121 415 7047**

*Calls to this number cost 8p per minute from a BT Landline. Other telephony providers' costs may vary. Lines open 8.30 am to 5.30 pm, Monday to Friday.

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