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THE INVESTMENT COMPANY PLC

REGISTERED No. 4205
ENGLAND AND WALES

REPORT AND ACCOUNTS

for the fifteen month period ended 30 June 2013

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CORPORATE SUMMARY

Investment objective

The Company's investment objective is to provide Shareholders with an attractive level of dividends coupled with capital growth over the long-term, through the investment in a portfolio of equities, preference shares, loan stocks, debentures and convertibles.

Investment policy

In June 2013, the Company in General Meeting, approved a number of proposals ("the Proposals") pursuant to which it amended its investment policy, appointed an external investment manager, reorganised the Company's share capital and raised additional capital through a placing.

Since approval of the Proposals, implementation of the new investment policy has commenced. Pursuant to this, the Company will invest primarily in the equity securities of quoted UK companies with a wide range of market capitalisations many of which are, or are expected to be dividend paying, with anticipated dividend growth in the long-term. The Company may also invest in large capitalisation companies, including FTSE 100 constituents, where this may increase the yield of the portfolio and where it is believed that this may increase shareholder value.

The Company will also make investments in preference shares, loan stocks, debentures, convertibles and related instruments of quoted UK companies.

The Manager is adopting a stock specific approach in managing the Company's portfolio and therefore sector weightings is of secondary consideration. As a result of this approach, the Company's portfolio does not track any benchmark index.

The Company may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management, gearing and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company will not enter into uncovered short positions.

Risk diversification

Portfolio risk will be mitigated by investing in a diversified spread of investments. Investments in any one company shall not, at the time of acquisition, exceed 15% of the value of the Company's investment portfolio. In the long-term it is expected that the Company's investments will be a portfolio of between 40 and 60 securities, most of which will represent individually no more than 3% of the value of the Company's total investment portfolio as at the time of acquisition.

The Company will not invest more than 10% of its gross assets, at the time of acquisition, in other listed closed-ended investment funds, whether managed by the Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds.

Unquoted investments

The Company may invest in unquoted companies from time to time subject to prior Board approval.

Investments in unquoted companies in aggregate will not exceed 5% of the value of the Company's investment portfolio as at the time of investment.

Borrowing and gearing policy

The Company may use gearing, including bank borrowings and the use of derivative instruments such as contracts for differences. The Company may borrow (through bank facilities and derivative instruments) up to 15% of NAV (calculated at the time of borrowing).

The Board will oversee the level of gearing in the Company, and will review the position with the Manager on a regular basis.

In the event of a breach of the investment policy set out above and the investment and gearing restrictions set out therein, the Manager shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

Investment Strategy

The Manager intends a bottom-up investment approach for the portfolio, with a diversified portfolio of securities of various market capitalisation sizes. There will be a bias towards dividend paying smaller companies but the portfolio will also include preference shares, loan stocks, debentures and convertibles with attractive yields.

The investment approach can be described as active and universal, as the Company will not seek to replicate any benchmark and will target a significant proportion of smaller company equities within an overall diversified portfolio. Potential investments are assessed against the key criteria including, *inter alia*, their yield, growth prospects, market positions, calibre of management and risk and cash resources.

Investment Manager

The Company is managed by Miton Capital Partners Limited (previously Midas Capital Partners Limited) ("Miton", "Manager" or "Investment Manager"), a fund management company formed in early 2002. The Miton investment team of 11 investment managers has in aggregate more than 100 years of investment experience and boasts a pension fund track record which is 15th percentile over 10 years.

In March 2008 Midas Capital Partners Limited merged with iimia MitonOptimal plc, to form Midas Capital PLC, an AIM traded fund management company. The company changed its name to MAM Funds Plc in July 2010. In February 2011 the company appointed a new senior management team and carried out a placing, which raised £20 million, leaving it with net cash on the balance sheet.

The group had assets under management of circa £1.8 billion at 31 December 2012. The management subsidiary changed its name to Miton Capital Partners Limited on 25 January 2013.

Capital Structure

At 30 June 2013 The Investment Company plc had a capital structure comprising 4,772,049 Ordinary shares of 50p. In addition there were 1,717,565 Fixed rate preference shares of 50p in issue, all of which are held by a wholly owned subsidiary.

Total Assets and Net Asset Value

The Group had net assets of £16.2 million and a net asset value of 342.60p per Ordinary Share at 30 June 2013.

Website

<http://www.mitongroup.com/index.php/private/fund-pages/investment-trusts/the-investment-company/>

DIRECTORS AND ADVISERS

Sir Frederick Douglas David Thomson Bt. (*Chairman*)
Stephen John Cockburn
Miss Joan Beryl Webb
Peter Stanley Allen
Philip Albert Lovegrove OBE
Martin Henry Withers Perrin (appointed 27 June 2013)

Sir David Thomson Bt. (aged 73) was appointed to the Board and elected Chairman in 2005. He is also Chairman of S.A. Meacock & Company Limited.

S. J. Cockburn (aged 73) was appointed to the Board in 1991 and as Managing Director in September 1994. In June 2013, pursuant to the appointment of Miton Capital Partners as Manager, he became a non-executive director of the Investment Company and a consultant to Miton. He is a non-executive director of Fiske plc and a director of Associated British Engineering plc. He has managed portfolios specialising in preference shares for many years.

Miss Joan Webb (aged 85) was appointed to the Board in 1991 and is the Company's largest ordinary shareholder.

P. S. Allen (aged 65) was appointed to the Board in 1996. He trained as an investment analyst with Kleinwort Benson. He has managed portfolios specialising in preference shares for many years.

P. A. Lovegrove OBE (aged 76) was appointed to the Board in 2006. He has been involved in asset management, corporate finance and corporate recoveries in the City of London for more than 40 years.

M. H. W. Perrin (aged 59) was appointed to the board in June 2013. He is a director of Fiske plc, and is a Chartered Accountant and Chartered Wealth Manager with wide experience of operations and finance in industry.

Secretary and Registered Office

J. P. Q. Harrison
3rd Floor, Salisbury House
London Wall
London EC2M 5QS

Manager

Miton Capital Partners Limited
10-14 Duke Street
Reading
Berkshire RG1 4RU

Independent Auditors

Saffery Champness
Lion House
Red Lion Street
London WC1R 4GB

Legal Advisers

Macfarlanes LLP
10 Norwich Street
London EC4A 1BD

Registrars

Capita Registrars Ltd.
Northern House
Woodsome Park
Fenay Bridge
Huddersfield HD8 0LA

Administrators

Fiske plc
3rd Floor, Salisbury House
London Wall
London EC2M 5QS

Website

[http://www.mitongroup.com/
index.php/private/fund-pages/
investment-trusts/
the-investment-company/](http://www.mitongroup.com/index.php/private/fund-pages/investment-trusts/the-investment-company/)

CHAIRMAN'S STATEMENT

All shareholders will have received the 98 page document issued by the Company at the beginning of June which set out the Directors' Proposals for the future of the Company. At the Class Meeting of Participating Preference shareholders and the General Meeting of Ordinary shareholders, held on 24 June 2013, Notice of which was given in that document, shareholders voted by overwhelming majorities in favour of the Resolutions putting into effect the Directors' Proposals.

On 24 June all the Participating Preference shares were converted into Ordinary shares on a factor of 309.855 Ordinary for every 1,000 Participating Preference shares held and a final dividend of 1.67p per Participating Preference share for the period from 1 April 2013 to 26 June 2013 was paid on 17 July 2013.

The new Ordinary shares issued under the terms of the Initial Placing at a price of 328.05p raised £4,345,000, for the newly appointed Managers, Miton Capital Partners Limited to invest in accordance in the newly approved Investment Policy which is described on pages 1 and 2 of this Report and Accounts. Stephen Cockburn retired as Managing Director on 26 June but has been appointed as a Non-Executive Director of the company and has been retained as a Consultant to Miton in respect of the Legacy Portfolio, much of which has built up over the 19 years he has been running the Company. Martin Perrin, who is a Chartered Accountant and a Director of Fiske plc, the Administrator to the company where he has had close involvement in the services provided by that company during the last eight years, was appointed a non-executive Director of the Company on 26 June 2013 and in accordance with the Articles of Association of the Company will retire and offer himself for election as a Director at the forthcoming Annual General Meeting.

Miss Joan Webb, who since 1991 has been a Director of the Company, which her father ran as Chairman, Managing Director and controlling shareholder for many years until his death in 1994, has decided not to seek re-election to the Board at the Annual General Meeting. Philip Lovegrove, OBE, who has been a Director of the Company since 2006 and served as Chairman of the Audit Committee will also not be seeking re-election to the Board at the Annual General Meeting. I should like to express the thanks of the Board to these two Directors who have contributed significantly to the recent prosperity of the Company and put on record the admirable service they have done on shareholders behalf over their years in office.

Shareholders will appreciate that the Accounts presented in this document cover the fifteen month period to 30 June 2013 and the comparable figures are for the 12 months to 31 March 2012. Although distorted by the requirements of Accountancy to add capital return to dividend income careful examination of the Accounts will reveal the perhaps surprising figure which shows Gross Revenue for the 12-month period to exceed that of the 15-month period subsequently. I can explain this apparent anomaly by reminding shareholders of the exceptional receipts of arrears of dividends on our substantial holdings of the preference shares in Associated British Engineering last year (amounting to something in excess of £300,000).

Your Directors indicated in the Proposals Document dated 31 May 2013 that no further dividend would be declared in respect of the financial period to 30 June 2013. The anticipated income return of 6% on Net Asset Value after the Company's conversion into an Investment Trust (which will allow the Directors to distribute capital as well as revenue, all of which ranks as dividend in the hands of shareholders) will begin with a quarterly dividend to be declared in respect of the three months to 30 September 2013. It is the Directors' intention to declare and

CHAIRMAN'S STATEMENT *continued*

pay roughly equal dividends four times a year in order to improve the flow of income to shareholders.

If the 6% return is achieved (which while it is the Directors' intention should not be taken as a firm forecast) and the present net asset value of around 350p is maintained, the total annual dividend on the Ordinary shares will amount to no less than 21p per share.

Sir David Thomson Bt.

Chairman

28 August 2013

DIRECTORS' REPORT

Principal activities and review of the business

The directors present to the Members the financial statements for the fifteen month period ended 30 June 2013, which incorporate the consolidated results of The Investment Company plc ("the Company") and its subsidiary undertakings ("the Group").

Review of the Business

The principal activity of the Company is investment in preference shares and prior charge securities with a view to achieving a high rate of income and capital growth over the medium term. In June 2013, the Company in General Meeting, approved a number of proposals ("the Proposals") pursuant to which it amended its investment policy, appointed an external investment manager, reorganised the Company's share capital and raised additional capital through a placing. A full review of the activities of the Company and its subsidiaries in the period under review is given in the Chairman's Statement.

The Company owns Abport Limited, an investment dealing company, and New Centurion Trust Limited, an investment company.

It is the intention of the Directors to apply to HMRC for approval of the Company as an investment trust with effect from the financial period commencing 1 July 2013.

Change of Accounting Reference Date

Pursuant to the proposals, summarised in the Chairman's Statement, which were implemented in June 2013 the Company has changed its accounting reference date to 30 June, extending the accounting period that was due to end on 31 March 2013 so as to end on 30 June 2013.

Results and Dividends

The consolidated net asset value per ordinary share at 30 June 2013 was 342.60p per share (2012: 315.96p).

The consolidated balance sheet shows net assets at 30 June 2013 of £16,237,484 and the Company's balance sheet shows net assets of £16,202,080. A reconciliation of the differences in the balance sheets is given in note 18 to the accounts.

Dividends were paid on the Participating Preference Shares of 3.5p on 1 October 2012 (2011: 4.5p), of 3.5p on 1 April 2013 (2012: 3.5p). A final dividend, pursuant to conversion into Ordinary Shares, on the Participating Preference Shares of 1.66p was paid on 17 July 2013.

On the Ordinary Shares, an interim dividend of 2p (2012: 2p) was paid in January 2013. Following the change in accounting reference date, from 31 March to 30 June, it is expected that in respect of the six month period to 31 December 2013 a dividend will be paid in March 2014.

Strategy and investment policy

Investment objective and investment policy

The Company's investment objective is to provide Ordinary Shareholders with an attractive level of dividends coupled with capital growth over the long-term, through the investment in a portfolio of equities, preference shares, loan stocks, debentures and convertibles.

The Company invests primarily in the equity securities of quoted UK companies with a wide range of market capitalisations many of which are, or are expected to be dividend paying, with anticipated dividend growth in the long-term. The Company may also invest in large capitalisation companies, including FTSE 100 constituents, where this may increase the yield of the portfolio and where it is believed that this may increase shareholder value.

The Company also makes investments in preference shares, loan stocks, debentures, convertibles and related instruments of quoted UK companies.

The Manager adopts a stock specific approach in managing the Company's portfolio and, therefore, sector weightings will be of secondary consideration. As a result of this approach, the Company's portfolio does not track any benchmark index.

The Company may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management, gearing and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments, as described below. The Company does not enter into uncovered short positions.

Future Developments

With effect from 27 June 2013, Miton Capital Partners Limited were appointed external investment manager with the remit to manage the Company's funds, including the additional capital raised in June 2013, in accordance with the Company's new investment policy. In addition, the Company will seek to conduct its affairs so as to qualify as an investment trust.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are:

- (i) Investment decisions: the performance of the Group's portfolio is dependent on a number of factors including, but not limited to the quality of initial investment decisions and the strategy and timing of sales;
- (ii) Investment valuations: the valuation of the Group's portfolio and opportunities for realisations depend to some extent on stock market conditions and interest rates; and
- (iii) Macroeconomic environment for preference shares and prior charge securities: the environment for issuing of new preference shares and prior charge securities determines whether new issues become available, thus affecting the choice and scope of investment opportunities for the Group.

Further information is set out in note 23 to the accounts.

Environmental impact

The Directors consider that there is no material environmental impact arising from the Group's activities.

Social and community issues

This review does not contain any information pertaining to social and community issues.

DIRECTORS' REPORT *continued*

Key performance indicators

During the period the Earnings per Ordinary Share on the revenue account decreased from 24.23p to (6.35)p whilst the Net Asset Value per Ordinary share increased from 315.96p to 342.60p.

Going Concern

The directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Group consist mainly of securities which are readily realisable. The directors are of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly have continued to adopt the going concern basis in preparing the financial statements.

Share Capital

At the period end, the Company's issued share capital consisted of:

	Issued No.
Ordinary shares of 50p	4,772,049
Fixed rate preference shares of 50p	1,717,565

Interest in own shares

On 7 March 2005 the Company acquired the entire issued share capital of its then parent company, New Centurion Trust Limited. As a result of that transaction, and the re-organisation of the Company's capital in June 2013, the Company holds indirectly 1,717,565 fixed rate preference shares of 50p each in itself.

The Company holds 32,500 ordinary shares in treasury. These were purchased during the year to 31 March 2010 and are designated as non-voting shares whilst so held.

Substantial interests

At the date of approval of the financial statements the following interests of three percent or more of the issued Ordinary share capital had been notified to the Company:

	%	Number of Ordinary shares
Miss J. B. Webb	11.38	539,344
Mrs J. P. Brown	4.48	212,343
Mrs S. Williams	4.48	212,343
Investec Wealth & Investment Ltd.	4.33	206,641
S.J. Cockburn	4.25	201,322
Shirlstar Container Transport Limited Pension Fund	4.11	194,650

Taxation Status

The directors are of the opinion that the Company is not a close company. As noted above, it is the intention of the Directors to apply to HMRC for approval of the Company as an investment trust with effect from the financial period commencing 1 July 2013.

Rights and obligations attaching to each class of share

The Ordinary Shares entitle the holders to receive all ordinary dividends and all remaining assets on a winding up, after the Fixed Rate Preference Shares have been satisfied in full.

DIRECTORS' REPORT *continued*

The Fixed Rate Preference Shares, held by New Centurion Trust Limited, a wholly owned subsidiary of the Company, are non-voting, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value, 50p, on a distribution of assets or a winding up.

Restrictions on the transfer of shares

The Directors may, in their absolute discretion and without assigning any ground or reason therefor, decline to register any transfer of any share (not being a fully paid share) to a person of whom they shall not approve. They may also decline to register any transfer of any share (including a fully paid share) on which the Company has a lien or in respect of which the shareholder is in default in complying with a notice under Section 793 of the Companies Act 2006.

The Directors are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights. The Directors are not aware of any other restrictions on the transfer of shares in the Company other than certain restrictions that may from time to time be imposed by laws and regulations (for example, insider trading laws).

Amendments to Articles of Association

The amendment of the Company's Articles of Association is governed by relevant statutes. The Articles may be amended by special resolution of the shareholders in general meeting.

Corporate Governance

The Group is committed to high standards of corporate governance and to the principles of good governance set out in the UK Corporate Governance Code (the "Code"). The Directors have reviewed the detailed principles and recommendations actioned in the Code and believe that, to the extent that they are relevant to the Group's business, they have complied with the provisions of the Code during the period ended 30 June 2013 and that the Group's current practice is, in all material aspects, consistent with the principles of the Code.

The Board confirms that, to the best of its knowledge and understanding, the Group has complied throughout the accounting period with all the relevant provisions as set out in section 1 of the Code.

The Board also confirms that, to the best of its knowledge and understanding, procedures were in place to meet the requirements of the Code relating to internal controls throughout the period under review. However, no formal policy or procedures have been documented as the directors do not consider that such practice is appropriate for the Group.

Board of Directors

Pursuant to the proposals implemented in June 2013, Stephen Cockburn retired as Managing Director, but continued as a non-executive director. The Board consists of independent non-executive directors. The Board is responsible for all matters of direction and control of the Group, including its investment policy, and no one individual has unfettered powers of decision. The directors review at regular meetings the Group's investments and all other important issues to ensure that control is maintained over the Group's affairs.

DIRECTORS' REPORT *continued*

The directors meet at regular Board meetings held at least once a quarter. Additional meetings and telephone meetings are arranged as necessary. During the period ended 30 June 2013 the number of full and scheduled Board meetings and Committee meetings attended by each director was as follows:

	Board Meetings		Audit Committee Meetings	
Sir David Thomson Bt.	6	(8)	2	(2)
S. J. Cockburn	8	(8)	n/a	
Miss J. B. Webb	8	(8)	n/a	
P. S. Allen	8	(8)	n/a	
P. A. Lovegrove	7	(8)	2	(2)
M. H. W. Perrin	n/a		n/a	

Figures in brackets indicate the maximum number of meetings held in the period in respect of which the individual was a board/committee member

Committees of the Board

The Group has appointed a number of committees to monitor specific operations. However, given its size, the Board does not believe that there is a requirement to establish a Nominations Committee.

Audit Committee

The Audit Committee comprises Philip Lovegrove and Sir David Thomson, both of whom are non-executive directors of the Company. The Committee is chaired by Philip Lovegrove and met on two occasions during the fifteen month period to review and approve the Group's Annual Report and Accounts and the Interim Financial Statement.

The primary responsibilities of the Audit Committee are to review the effectiveness of the internal control environment of the Group; to monitor adherence to best practice in corporate governance; to make recommendations to the Board in relation to the reappointment of the Auditors and to approve their remuneration and terms of engagement; to review and monitor the Auditors' independence and objectivity and the effectiveness of the audit process and provide a forum through which the Group's Auditors report to the Board. The Audit Committee also has responsibility for monitoring the integrity of the financial statements and accounting policies of the Group; and receiving reports from the compliance officer of the Administrator. Committee members consider that individually and collectively they are appropriately experienced to fulfil the role required. The Audit Committee has formal written terms of reference.

Saffery Champness, the Group's Auditors, attend the meeting of the Audit Committee to approve the Annual Report and have direct access to Committee members. A member of the Audit Committee will be present at the Annual General Meeting to deal with any questions relating to the accounts.

Due to the management structure of the Group no policy or procedures exist for staff to raise concerns concerning any matters of financial reporting.

Remuneration Committee

The Remuneration Committee comprises all the independent non-executive directors. During the period, Sir David Thomson chaired the committee which has been formally constituted to determine and approve directors' fees. Directors' fees are determined following proper consideration of the role that individual directors fulfil in respect of Board and Committee responsibilities and the time committed to the Group's affairs, having regard to the industry generally.

Detailed information on the remuneration arrangements for the directors of the Company can be found in the Directors' Remuneration Report set out below and in note 3 to the financial statements.

Performance evaluation

The Chairman has confirmed that all Directors have been subject to performance evaluation and as part of this evaluation the Chairman confirms that they continue to demonstrate commitment to their role and in his view to responsibly fulfil their functions.

Independent professional advice

The Board has formalised arrangements under which the directors, in the furtherance of their duties, may seek independent professional advice at the Group's expense.

Chairman and Senior Independent Director

The Chairman, Sir David Thomson, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships. Sir David Thomson is also Chairman of S.A. Meacock & Company Limited. He considers himself to have sufficient time to commit to the Group's affairs.

Given the size and nature of the Board it is not considered appropriate to appoint a senior independent director and this is non-compliant with the Code (provision A.1.2).

Directors' independence

The Board has reviewed the independent status of its individual directors and the Board as a whole.

The Code (provision B.1.1) requires that this report should identify each non-executive director the Board considers to be independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

The Board has considered the fact that Peter Allen has served on the Board since 1996. The AIC's Code of Corporate Governance recognises that, in the context of an investment company, long service need not compromise independence and the Directors are satisfied that it has not done so in the case of Mr Allen because of his active participation in the preference share market independently of the Group. In the case of Miss Webb, the Board has considered not only her length of service on the Board, but also her substantial holdings of shares and loan notes of the Group. Given this combination of factors the Board recognises that she would not, technically, be regarded as independent under the terms of the Code. Nevertheless the other directors believe that she continues to bring to the Board the benefit of her independent judgement.

In the Board's opinion Sir David Thomson, Stephen Cockburn, Martin Perrin and Philip Lovegrove are also considered to be independent in both character and judgement. Accordingly, five of the six Board members are independent, thus the majority of the Board is comprised of independent non-executive directors.

Under the Articles of Association, all directors with the exception of the Managing Director are subject to periodic retirement and re-election by shareholders. In order to comply with the Code, and the Articles of Association, the directors have adopted a policy providing for all non-executive directors to submit themselves for re-election at least every three years. A resolution to re-elect Stephen Cockburn and Martin Perrin is contained within the notice of the Annual General Meeting at the back of these Financial Statements. The other Board members recommend that shareholders vote for his re-election as they believe that their skills, knowledge and overall performances are of continued benefit to the Group. All directors have actively contributed in meetings throughout the period.

Shareholders are invited to consider the information set out herein on an individual basis, before voting on the re-election of the directors.

The information about the directors, which appears on page 3, demonstrates the range of skills and experience they bring to the Board.

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those International Financial Reporting Standards (IFRS) adopted by the European Union. Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business; and
- 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 entity's financial position and financial performance.

The Directors confirm that they have complied with the above requirements when preparing the financial statements and that the Chairman's Statement and the Directors' Report include a fair review of the performance and the development of the Group together with a description of the principal risks and uncertainties faced.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulations. The Directors are responsible for ensuring that the Directors' report and other information in the annual report is prepared in accordance with Company law in the United Kingdom. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Conduct Authority. They also have responsibility for safeguarding the assets of the Group and for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

Relations with shareholders

Communication with shareholders is given a high priority by the Board and the directors are available to enter into dialogue with shareholders. All shareholders are encouraged to attend and vote at the Annual General Meeting during which the Board is available to discuss issues affecting the Group.

Board responsibilities and relationship with service providers

The Board is responsible for the determination and implementation of the Group's investment policy and for monitoring compliance with the Group's objectives. Some of the Group's main functions have been subcontracted to service providers, engaged under separate legal agreements. At each Board meeting the directors follow a formal agenda, which is circulated in advance by the Company Secretary. The Board's main roles are to create value for shareholders and to approve the Group's strategic objectives. Specific responsibilities of the Board include: reviewing the Group's investments, asset allocation, gearing policy, cash management, investment outlook and revenue forecasts.

The Board has contractually delegated to Fiske plc (the "Administrator") all day-to-day accounting and company secretarial duties as well as the administration and safe custody of its investments. The Administrator prepares management accounts, valuations of investments, statements of transactions and forecasts of cash surpluses or requirements which are provided in advance of all regular meetings of the Board (which are held at least four times a year). These documents are presented at the meetings to allow the Board as a whole to assess the Group's activities and review its performance.

The Board considers, at each meeting, future strategy with regard to the investment criteria to be followed by the Group, including criteria concerning risk. The Board may seek independent advice regarding any proposed investments of an unusual nature, such as investments in unquoted securities. No formal review of the Group's system of internal control has been undertaken during the period.

The Administrator, being regulated by the Financial Conduct Authority under the Financial Services and Markets Act 2000, continually reviews its own compliance procedures in accordance with the financial, safe custody, conduct of business and other rules to which it is subject.

During the period to 30 June 2013, management of the Group's assets was conducted by the Managing Director who had discretion to manage the assets of the Group in accordance with the Group's objectives and policies. At each Board meeting, the Managing Director presented verbal and written reports covering the activity, portfolio and investment performance over the

preceding period. Ongoing communication with the other members of the Board is maintained between formal meetings.

The directors are responsible to the shareholders for the overall management of the Group and may exercise all the powers of the Company subject to the provisions of relevant statutes, the Company's Memorandum and Articles of Association and any directions given by special resolution of the shareholders. In particular the Articles of Association empower the directors to issue and buy back ordinary and preference shares, which powers are exercisable in accordance with authorities approved from time to time by shareholders in general meeting. At the General Meeting held in June 2013, shareholders renewed the directors' authority to allot Ordinary Shares of 50p each on behalf of the Company subject to the limits set out in those resolutions.

The Articles of Association also specifically empower the directors to exercise the Company's powers to borrow money and to mortgage or charge the Company's assets and any uncalled capital and to issue debentures and other securities, subject to the limits set out in the Articles.

Management Agreement

With effect from 24 June 2013, the Company's investments are managed by Miton Capital Partners Limited ("the Manager") who are responsible for managing the assets of the Company and to advise the Company on a day-to-day basis in accordance with the Investment Policy and subject to the overall control and supervision of the Board. Under the terms of the Management Agreement, the Manager has discretion to buy, sell, retain, exchange or otherwise deal in investment assets for the account of the Company.

The Manager is entitled to receive from the Company or any member of its group in respect of its services provided under the Management Agreement, a management fee payable monthly in arrears calculated at the rate of one-twelfth of 1% per calendar month of the Net Asset Value per annum for its services under the Management Agreement, save that its management fee will be reduced by such amount (being not more than the fees payable to the Manager in respect of any year (exclusive of VAT)) so as to seek to ensure that the Ongoing Charges Ratio of the Company does not exceed 2.5% per annum.

The Management Agreement is terminable by either the Manager or the Company giving to the other not less than six months' written notice, such notice not to expire earlier than the second anniversary of commencement. The Management Agreement may be terminated earlier by the Company with immediate effect on the occurrence of certain events, including the liquidation of the Manager or appointment of a receiver or administrative receiver over the whole or any substantial part of the assets or undertaking of the Manager or a material breach by the Manager of the Management Agreement which is not remedied. The Company may also terminate the Management Agreement should Gervais Williams cease to be an employee of the Manager's group and within three months of his departure is not replaced by a person whom the Company considers, to be of equal or satisfactory standing. The Company may also terminate the Management Agreement if a continuation vote is not passed.

DIRECTORS' REPORT *continued*

The Company has given certain market standard indemnities in favour of the Manager in respect of the Manager's potential losses in carrying on its responsibilities under the Management Agreement.

Creditor payment policy

The Group's policy is to pay suppliers promptly. As a result, there were no trade creditors payable at the period end (2012: £nil).

Internal Control Statement

This statement is made in accordance with the Disclosure and Transparency rules and section C of the Code.

Given the size of the Group, an internal audit department is considered unnecessary, although this need is reviewed annually.

The key procedures that have been established with a view to providing effective internal controls are as follows:

- Investment management is provided by the Manager. The Board is responsible for setting the overall investment policy and monitors the action of the Manager at regular Board meetings.
- The provision of administration, accounting, custody of assets and company secretarial duties is the responsibility of the Administrator.
- The non-executive directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their ongoing performance and contractual arrangements.
- Mandates for authorisation of investment transactions and expense payments are set by the Board.

Statement of disclosure to auditors

So far as each of the directors is aware, there is no relevant audit information of which the Group's auditors are unaware and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Group's auditors have been made aware of that information.

Auditors

The directors review the terms of reference for the auditors and obtain written confirmation that the firm has complied with its relevant ethical guidance on ensuring independence. Saffery Champness provide audit services to the Company and Group as well as corporation tax compliance services. The Board reviews the level of their fees to ensure they remain competitive and to ensure no conflicts of interest arise.

DIRECTORS' REPORT *continued*

Directors and their Share Interests

The Directors who held office in the period up to the date of approval of these accounts and their beneficial interests in the Company's issued share capital at the period end were:

	Interest at end of period Ordinary 50p	Interest at start of period or date of appointment Ordinary 50p	Participating Pref. 50p
Sir David Thomson Bt. (Chairman)*	57,000	57,000	—
S. J. Cockburn†**	201,322	188,647	28,000
Miss J. B. Webb*	539,344	475,886	204,800
P. S. Allen*	20,000	20,000	—
P. A. Lovegrove*	21,500	11,000	—
M. H. W Perrin (appointed 27 June 2013)*	7,144	—	—

* Non-executive

** Non-executive from 26 June 2013

† In addition, Mr S. J. Cockburn has a non-beneficial interest in 79,239 ordinary shares (at 31 March 2012: 41,000 ordinary shares and 4,000 participating preference shares).

There have been no other changes in the above interests since 30 June 2013.

At the forthcoming Annual General Meeting (i) Philip Lovegrove and Joan Webb intend to retire, (ii) Stephen Cockburn retires and, being eligible, offers himself for re-election and (iii) Martin Perrin, having been appointed since the date of the last Annual General Meeting offers himself for election.

Directors' remuneration report

The Board has prepared this report, in accordance with section 421 of the Companies Act 2006, which applies to companies quoted on the Official List of the London Stock Exchange. The law requires your Company's auditors to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such.

Remuneration Committee

The Remuneration Committee is chaired by Sir David Thomson and consists of the non-executive directors.

Policy on Directors' fees

The Board's policy is that the remuneration of the directors should reflect the experience of the Board as a whole, and is determined with reference to comparable financial organisations and appointments. It is intended that this policy will continue for the current period to 30 June 2014. Directors' fees are determined within the limits set out in the Company's Articles of Association, and they are not normally eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Director's service contract

The terms of appointment provide that each of the non-executive directors shall retire and be subject to election at the first Annual General Meeting after their appointment, and not less than every three years thereafter. The service contract of Stephen Cockburn and the agreement for the provision of administration and accommodation services by Fiske plc, in which Mr Cockburn is deemed to be interested as a non-executive director and shareholder of Fiske plc, are available for inspection by shareholders at the place of the AGM of the Company during the meeting and for 15 minutes beforehand.

DIRECTORS' REPORT *continued*

The service contract of the Managing Director, entered into in January 2005, terminated on 27 June 2013 pursuant to the Proposals described above. It provided that his annual remuneration as Managing Director would be £50,000 in addition to his Directors' fee, currently £14,000.

Performance graph of Total Shareholder Return

The directors do not normally receive any performance-related remuneration and there are no comparable indices against which the Group feels able to measure itself. Consequently, it has not prepared a graph showing total shareholder return.

Directors' emoluments for the period ended 30 June 2013 (audited)

The directors who served during the period received the following emoluments in the form of fees and salaries:

	Period ended 30 June 2013	Year ended 31 March 2012
	£	£
Sir David Thomson Bt.	17,500	14,000
S. J. Cockburn	72,296	64,000
Miss J. B. Webb	13,750	11,000
P. S. Allen	13,750	11,000
P. A. Lovegrove	17,500	14,000
M. H. W. Perrin	—	—
	<u>134,796</u>	<u>114,000</u>

None of the directors has any other entitlement to remuneration for their services to the Company save as mentioned above.

Directors' interests in contracts

Details of directors' interests in contracts are shown in note 21 to the financial statements. Other than those transactions, none of the directors has or has had any interest in any transaction which is or was unusual in nature or conditions or significant to the business of the Group and which was effected by the Group during the period. At the date of this report, there are no outstanding loans by the Company or its subsidiaries to any director.

Annual General Meeting

Notice of the Annual General Meeting, which is to be held at the offices of Fiske plc, 3rd Floor, Salisbury House, London Wall, London, EC2M 5QS at 12.30 p.m. on Thursday, 3 October 2013 is set out at the back of these Financial Statements.

Saffery Champness are willing to remain in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

3rd Floor
Salisbury House
London Wall
London EC2M 5QS

28 August 2013

By Order of the Board
James P. Q. Harrison
Secretary

THE INVESTMENT COMPANY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of The Investment Company plc for the period ended 30 June 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) 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 auditors' 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 Statement of Directors' responsibilities set out on pages 12 and 13, 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 Company's and Group'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 Directors' Report 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

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and of the parent company as at 30 June 2013 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been 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 consolidated financial statements, Article 4 of the IAS Regulation.

THE INVESTMENT COMPANY PLC
INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS *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 period 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 matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' statement, on page 8, in relation to going concern;
- the part of the corporate governance statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Donna Caira

(Senior Statutory Auditor)

For and on behalf of Saffery Champness

Chartered Accountants

Statutory Auditors

28 August 2013

Lion House
Red Lion Street
London
WC1R 4GB

CONSOLIDATED INCOME STATEMENT

For the fifteen month period ended 30 June 2013

	Notes	Fifteen months to 30 June 2013			Year to 31 March 2012		
		Revenue	Capital	Total	Revenue	Capital	Total
		£	£	£	£	£	£
Total income	2	1,134,994	–	1,134,994	1,363,009	–	1,363,009
Administrative expenses	3	(707,351)	–	(707,351)	(433,590)	–	(433,590)
Loan note interest	15	(62,700)	–	(62,700)	(71,991)	–	(71,991)
Other finance costs	6	(432,550)	–	(432,550)	(349,636)	–	(349,636)
Other interest payable		(2,195)	–	(2,195)	(5,454)	–	(5,454)
Realised gains on investments		–	220,111	220,111	–	26,097	26,097
Movement in impairment provisions		–	48,876	48,876	–	(270,261)	(270,261)
Net return before taxation		(69,802)	268,987	199,185	502,338	(244,164)	258,174
Taxation	4	–	–	–	–	–	–
Net return after taxation	5	(69,802)	268,987	199,185	502,338	(244,164)	258,174
Return per 50p Ordinary Share Basic and diluted	8	(6.35)p	14.26p	7.91p	24.23p	(13.08)p	11.15p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fifteen month period ended 30 June 2013

	2013 £	2012 £
Net return after taxation	199,185	258,174
Movement in unrealised appreciation of investments:		
Recognised in equity	1,357,358	7,801
Recognised in profit or loss	(159,534)	(146,627)
Total net recognised income for the financial period	1,397,009	119,348

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the fifteen month period ended 30 June 2013

	Issued Capital £	Share Premium £	Own Shares Held £	Capital Redemption Reserve £	Revaluation Reserve £	Capital Reserve £	Revenue Account £	Total £
Balance at 1 April 2011	1,808,728	1,019,246	(2,919,861)	685,250	2,452,571	5,050,228	344,102	8,440,264
Movement in unrealised appreciation of investments								
– recognised in equity	–	–	–	–	7,801	–	–	7,801
– recognised in profit or loss	–	–	–	–	(146,627)	–	–	(146,627)
Net increase in net assets from operations	–	–	–	–	–	(244,164)	502,338	258,174
Ordinary dividends paid	–	–	–	–	–	–	(112,043)	(112,043)
Participating element of preference dividends paid	–	–	–	–	–	–	(49,948)	(49,948)
Balance at 31 March 2012	1,808,728	1,019,246	(2,919,861)	685,250	2,313,745	4,806,064	684,449	8,397,621
Movement in unrealised appreciation of investments								
– recognised in equity	–	–	–	–	1,357,358	–	–	1,357,358
– recognised in profit or loss	–	–	–	–	(159,534)	–	–	(159,534)
Net increase in net assets from operations	–	–	–	–	–	268,987	(69,802)	199,185
Ordinary dividends paid	–	–	–	–	–	–	(112,044)	(112,044)
Participating element of preference dividends paid	–	–	–	–	–	–	(49,948)	(49,948)
Conversion of Non-voting Ordinary Shares into Fixed Rate Preference Shares	(858,782)	–	2,919,861	–	–	(2,061,079)	–	–
Conversion of Preference Shares into Ordinary Shares	773,833	–	–	1,723,570	–	–	–	2,497,403
Issue of new Ordinary Shares	662,246	3,682,753	–	–	–	–	–	4,344,999
Costs of Issue	–	(237,556)	–	–	–	–	–	(237,556)
Balance at 30 June 2013	2,386,025	4,464,443	–	2,408,820	3,511,569	3,013,972	452,655	16,237,484

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the fifteen month period ended 30 June 2013

	Issued Capital £	Share Premium £	Own Shares Held £	Capital Redemption Reserve £	Revaluation Reserve £	Capital Reserve £	Revenue Account £	Total £
Balance at 1 April 2011	1,808,728	1,019,246	–	685,250	2,466,071	4,980,161	381,795	11,341,251
Movement in unrealised appreciation of investments								
– recognised in equity	–	–	–	–	23,802	–	–	23,802
– recognised in profit or loss	–	–	–	–	(146,626)	–	–	(146,626)
Net increase in net assets from operations	–	–	–	–	–	(262,201)	571,202	309,001
Ordinary dividends paid	–	–	–	–	–	–	(112,043)	(112,043)
Participating element of preference dividends paid	–	–	–	–	–	–	(49,948)	(49,948)
Balance at 31 March 2012	1,808,728	1,019,246	–	685,250	2,343,247	4,717,960	791,006	11,365,437
Movement in unrealised appreciation of investments								
– recognised in equity	–	–	–	–	1,352,660	–	–	1,352,660
– recognised in profit or loss	–	–	–	–	(159,534)	–	–	(159,534)
Provision for diminution in value of investment in subsidiary undertaking	–	–	–	–	–	(4,547,896)	–	(4,547,896)
Net increase in net assets from operations	–	–	–	–	–	273,686	2,333,655	2,607,341
Ordinary dividends paid	–	–	–	–	–	–	(112,044)	(112,044)
Participating element of preference dividends paid	–	–	–	–	–	–	(49,948)	(49,948)
Conversion of Non-voting Ordinary Shares into Fixed Rate Preference Shares	(858,782)	–	–	–	–	–	–	(858,782)
Conversion of Preference Shares into Ordinary Shares	773,833	–	–	1,723,570	–	–	–	2,497,403
Issue of New Ordinary Shares	662,246	3,682,753	–	–	–	–	–	4,344,999
Costs of Issue	–	(237,556)	–	–	–	–	–	(237,556)
Balance at 30 June 2013	2,386,025	4,464,443	–	2,408,820	3,536,373	443,750	2,962,669	16,202,080

The accompanying notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 30 June 2013

	Notes	2013 £	2012 £
Investments	9	<u>12,798,594</u>	<u>12,216,646</u>
Current assets			
Trade and other receivables	12	1,393,916	214,896
Investments	13	122,860	182,857
Cash and bank balances		<u>3,138,062</u>	<u>284,517</u>
		<u>4,654,838</u>	<u>682,270</u>
Current liabilities			
Bank overdraft	15	—	500,000
Preference dividends payable	6	82,914	174,818
Trade and other payables	14	401,634	231,974
5% loan notes maturing 2010/2015	15	<u>365,700</u>	<u>365,700</u>
		<u>850,248</u>	<u>1,272,492</u>
Net current assets/(liabilities)		3,804,590	(590,222)
Non-current liabilities			
5% loan notes maturing 2010/2015	15	(365,700)	(731,400)
Participating preference shares	15	—	(2,497,403)
Net assets		<u>16,237,484</u>	<u>8,397,621</u>
Capital and reserves			
Issued capital	16	2,386,025	1,808,728
Share premium	17	4,464,443	1,019,246
Own shares held	17	—	(2,919,861)
Capital redemption reserve	17	2,408,820	685,250
Revaluation reserve	17	3,511,569	2,313,745
Capital reserve	17	3,013,972	4,806,064
Revenue reserves	17	<u>452,655</u>	<u>684,449</u>
Shareholders' funds	18	<u>16,237,484</u>	<u>8,397,621</u>
Net asset value per Ordinary Share of 50p	19	342.60p	315.96p

The accompanying notes form part of these financial statements.

Sir David Thomson Bt.
Stephen J. Cockburn
Directors

Approved by the Board
28 August 2013

Company Number: 4205

COMPANY BALANCE SHEET

At 30 June 2013

	Notes	£	2013 £	£	2012 £
Investments	9		12,798,594		12,216,646
Investment in subsidiaries	10		862,656		5,410,552
			<u>13,661,250</u>		<u>17,627,198</u>
Current assets					
Trade and other receivables	12	1,476,220		369,117	
Cash and bank balances		3,135,055		281,479	
		<u>4,611,275</u>		<u>650,596</u>	
Current liabilities					
Bank overdraft	15	—		500,000	
Preference dividends payable	6	82,914		174,818	
Amounts owed to group undertakings		—		2,415,048	
Trade and other payables	14	397,348		227,988	
5% loan notes maturing 2010/2015	15	365,700		365,700	
		<u>845,962</u>		<u>3,683,554</u>	
Net current assets/(liabilities)			3,765,313		(3,032,958)
Non-current liabilities					
5% loan notes maturing 2010/2015	15		(365,700)		(731,400)
Participating preference shares	15		—		(2,497,403)
Fixed Rate Preference Shares			(858,783)		—
Net assets			<u>16,202,080</u>		<u>11,365,437</u>
Capital and reserves					
Issued capital	16		2,386,025		1,808,728
Share premium	17		4,464,443		1,019,246
Capital redemption reserve	17		2,408,820		685,250
Revaluation reserve	17		3,536,373		2,343,247
Capital reserve	17		443,750		4,717,960
Revenue reserves	17		2,962,669		791,006
Shareholders' funds	18		<u>16,202,080</u>		<u>11,365,437</u>

The accompanying notes form part of these financial statements.

Sir David Thomson Bt.
Stephen J. Cockburn
Directors

Approved by the Board
28 August 2013

Company Number: 4205

CONSOLIDATED CASH FLOW STATEMENT

For the fifteen month period ended 30 June 2013

	Notes	Fifteen months to 30 June 2013		Year to 31 March 2012	
		£	£	£	£
Cash flows from operating activities					
Cash received from investments		406,454		417,926	
Interest received		722,332		558,386	
Sundry income		468		—	
Cash paid to and on behalf of employees		(250,687)		(150,175)	
Other cash payments		(377,647)		(251,852)	
Net cash inflow from operating activities	A		500,920		574,285
Cash flows from financing activities					
Bank interest		(2,195)		(5,454)	
Loan note interest paid		(53,583)		(71,991)	
Loan notes redeemed		(365,700)		(365,702)	
Fixed element of dividends paid on preference shares		(524,455)		(349,636)	
Participating element of dividends paid on preference shares		(49,948)		(49,948)	
Dividends paid on ordinary shares		(104,195)		(109,962)	
Share capital subscriptions received		2,998,176		—	
Net cash inflow/(outflow) from financing activities			1,898,100		(952,693)
Cash flows from investing activities					
Purchase of investments		(274,005)		(1,278,605)	
Sale of investments		1,228,530		1,243,114	
Net cash inflow/(outflow) from investing activities			954,525		(35,491)
Net increase/(decrease) in cash and cash equivalents	B		3,353,545		(413,899)

The notes on the following page form part of this cash flow statement.

NOTES ON THE CONSOLIDATED CASH FLOW STATEMENT

For the fifteen month period ended 30 June 2013

	Fifteen months to 30 June 2013 £	Year to 31 March 2012 £	
A. Reconciliation of net revenue before taxation to net cash inflow from operations:			
Net revenue before taxation	(69,802)	502,338	
Non-cash dividends received	—	(258,925)	
Interest paid	2,195	5,454	
Loan note interest paid	53,583	71,991	
Fixed element of preference dividends paid	432,550	349,636	
Investment (gains)/losses of trading subsidiary	(10,391)	64,304	
Decrease/(increase) in trade and other receivables	17,055	(206,455)	
Increase in trade and other payables	75,730	45,942	
	<u>500,920</u>	<u>574,285</u>	
B. Reconciliation of cash flow to movement in net cash			
Increase/(decrease) in cash and cash equivalents in the period	3,353,545	(413,899)	
Loan notes redeemed	365,700	365,702	
	<u>3,719,245</u>	<u>(48,197)</u>	
Increase/(decrease) in net cash	3,719,245	(48,197)	
Net debt at 1 April 2012	(1,312,583)	(1,264,386)	
	<u>2,406,662</u>	<u>(1,312,583)</u>	
C. Analysis of net cash			
	At 30 June 2013 £	Movement £	At 1 April 2012 £
Cash at bank	3,138,062	2,853,545	284,517
Bank overdraft	—	500,000	(500,000)
Loan notes	(731,400)	365,700	(1,097,100)
	<u>2,406,662</u>	<u>3,719,245</u>	<u>(1,312,583)</u>

COMPANY CASH FLOW STATEMENT

For the fifteen month period ended 30 June 2013

	Notes	Fifteen months to 30 June 2013		Year to 31 March 2012	
		£	£	£	£
Cash flows from operating activities					
Cash received from investments		402,933		416,926	
Interest received		722,332		558,386	
Sundry income		468		—	
Cash paid to and on behalf of employees		(250,687)		(150,175)	
Other cash payments		(373,640)		(248,134)	
Net cash inflow from operating activities	A		501,406		577,003
Cash flows from financing activities					
Bank interest		(2,195)		(5,454)	
Loan note interest paid		(53,583)		(71,991)	
Loan notes redeemed		(365,700)		(365,702)	
Fixed element of dividends paid on preference shares		(524,455)		(349,636)	
Participating element of dividends paid on preference shares		(49,948)		(49,948)	
Dividends paid on ordinary shares		(104,195)		(109,963)	
Share capital subscriptions received		2,998,176		—	
Net cash inflow/(outflow) from financing activities			1,898,100		(952,694)
Cash flows from investing activities					
Purchase of investments		(211,189)		(1,226,061)	
Amounts advanced to subsidiaries		(9,315)		(55,030)	
Sale of investments		1,174,574		1,240,879	
Net cash inflow/(outflow) from investing activities			954,070		(40,212)
Net increase/(decrease) in cash and cash equivalents	B		3,353,576		(415,903)

The notes on the following page form part of this cash flow statement.

NOTES ON THE COMPANY CASH FLOW STATEMENT

For the fifteen month period ended 30 June 2013

	Fifteen months to 30 June 2013 £	Year to 31 March 2012 £	
A. Reconciliation of net revenue before taxation to net cash inflow from operations:			
Net revenue before taxation	2,333,655	571,203	
Non-cash dividends received	—	(258,925)	
Interest paid	2,195	5,454	
Loan note interest paid	53,583	71,991	
Fixed element of preference dividends paid	432,550	349,636	
Decrease/(increase) in trade and other receivables	17,057	(206,456)	
Increase in trade and other payables	75,434	44,100	
Intercompany debt forgiven	(2,413,068)	—	
	<u>501,406</u>	<u>577,003</u>	
B. Reconciliation of cash flow to movement in net cash			
Increase/(decrease) in cash and cash equivalents in the period	3,353,576	(415,903)	
Loan notes redeemed	365,700	365,702	
Increase/(decrease) in net cash	3,719,276	(50,201)	
Net debt at 1 April 2012	(1,315,621)	(1,265,420)	
Net cash at 30 June 2013	<u>2,403,655</u>	<u>(1,315,621)</u>	
C. Analysis of net debt			
	At 30 June 2013 £	Movement £	At 1 April 2012 £
Cash at bank	3,135,055	2,853,576	281,479
Bank overdraft	—	500,000	(500,000)
Loan notes	(731,400)	365,700	(1,097,100)
	<u>2,403,655</u>	<u>3,719,276</u>	<u>(1,315,621)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the fifteen month period ended 30 June 2013

1. Accounting policies

(a) Basis of preparation

The consolidated financial statements of The Investment Company Plc, a company with domicile in the United Kingdom and whose principal activities are investing in preference shares and prior charge securities, have been prepared in accordance with International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) as adopted by the EU and in accordance with the Interpretations of International Accounting Standards issued by the Standing Interpretations Committee of the IASB.

(b) Basis of consolidation

The group financial statements comprise the financial statements of The Investment Company Plc and its subsidiaries made up to 30 June 2013.

The results of operations of subsidiary undertakings are included in the consolidated financial statements as from the date of acquisition, which is the date on which control of the acquired subsidiary is effectively transferred to the buyer. The results of operations of subsidiary undertakings disposed of are included in the consolidated income statement until the date of disposal, which is the date on which the parent ceases to have control of the subsidiary undertaking. Intragroup balances and intragroup transactions and resulting unrealised profits are eliminated in full.

(c) Significant estimates and assumptions

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing material adjustment to carrying amounts of assets and liabilities within the next financial year lie primarily in investments, their fair value and any impairment review.

(d) Revenue and expenditure

Revenue includes dividends and interest from investments which, on or before the balance sheet date, become receivable. Deposit interest receivable, expenses and interest payable are accounted for on an accruals basis. Where, before recognition of dividend income is due, there is any reasonable doubt that a return will actually be received, for example as a consequence of the investee company lacking distributable reserves, the recognition of the return is deferred until the doubt is removed.

(e) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years 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 tax

Deferred tax is recognised 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 generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

1. Accounting policies (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(f) Dividends

Ordinary dividends are accounted for in the period in which they are declared in accordance with IAS 10. Dividends on the Participating Preference shares had two dividend elements, the fixed net cash cumulative dividend and the participating dividend. The fixed net cash cumulative element accrued evenly on a daily basis throughout the period. The dividend payable on 17 July 2013 has therefore been treated as a charge against revenue for the period to 30 June 2013. The participating dividend element is accounted for in the period in which the dividend is declared and is treated in the same way as the Ordinary dividend upon which its calculation is based.

(g) Earnings per ordinary share

The Group calculates both basic and diluted earnings per ordinary share in accordance with IAS 33 "Earnings Per Share". Under IAS 33, basic earnings per share is computed using the weighted average number of shares outstanding during the period. Earnings are adjusted for the participating element of preference share dividends.

(h) Investments

IAS 39 requires investment funds to measure assets listed on a recognised Stock Exchange at current bid prices whereas under UK GAAP these assets had been previously measured at current middle market prices. The directors are of the opinion that the bid valuation is 1% lower than the mid valuation due to the nature of the assets concerned and this treatment is reflected in the investment valuation at the year end.

All investments held as non-current assets are shown in the consolidated balance sheet at valuation and all purchase and sale of investments are accounted for at trade date. Impairments of available for sale assets are taken to the income statement as required by paragraphs 55(b) and 67 of IAS 39 "Financial Instruments: Recognition and measurement". Such loss is transferred from the profit and loss reserve to the capital reserve in accordance with the Company's articles of association. Other differences between book cost and valuation are taken to the revaluation reserve. Profits and losses on the realisation of investments held as non-current assets are taken to profit and loss.

The Group determines the fair value of financial instruments that are not quoted, based on estimates using present values or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Where market prices are not readily available, fair value is either based on estimates obtained from independent experts or quoted market prices of comparable instruments. In that regard, the derived fair value estimates cannot be substantiated by comparison with independent markets and, in many cases, could not be realised immediately.

(i) Impairment review

At each balance sheet date, a review is carried out to assess whether there is any objective evidence that the Group's available for sale financial assets have become impaired. Where such evidence exists, the amount of any impairment loss is recognised immediately in the Consolidated Income Statement. Any excess of the impairment loss over the amount previously recognised in equity is recognised in the Consolidated Income Statement.

If, in a subsequent period, the fair value of available for sale financial assets increase and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed and the amount of the reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

1. Accounting policies (continued)

(j) Preference shares

Participating preference shares

The participating preference shares entitled the holders, in priority to the payment of any dividend to the holders of all or any other shares in the capital of the company, to a fixed net cash cumulative dividend at the rate of 7p per share per annum. In addition, holders were entitled to a participating dividend at the rate of 25% of any dividends paid on the Ordinary Shares in excess of 2p per share for any year, subject to a maximum participating dividend in respect of any year of 3p net per share.

On any return of capital holders were entitled to the payment of a premium of 50p per share. The shares also conferred voting rights in certain circumstances.

Fixed rate preference shares

The Fixed Rate Preference Shares are non-voting, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value, 50p, on a distribution of assets or a winding up.

Preference shares are disclosed as non-current liabilities in accordance with IAS 32 (Financial Instruments: Disclosure and Presentation).

(k) IFRS standards

The following standards, amendments to existing standards and interpretations relevant to the Group's activities have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2013 or later periods but the Group has not adopted them early:

New or revised standards

- IFRS 9 Financial Instruments (effective beginning on or after 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective beginning on or after 1 January 2013)
- IFRS 11 Joint Arrangements (effective beginning on or after 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective beginning on or after 1 January 2013)
- IFRS 13 Fair Value Measurement (effective beginning on or after 1 January 2013)
- IAS 19 Employee Benefits (effective beginning on or after 1 January 2013)
- IAS 28 Investments in Associates and Joint Ventures (effective beginning on or after 1 January 2013)

Amendments

- IAS 32 Financial Instruments: Presentation (effective beginning on or after 1 January 2014)
- IAS 36 Impairment of Assets (effective beginning on or after 1 January 2014)
- IAS 39 Financial Instruments: Recognition and Measurement (effective beginning on or after 1 January 2014)

New and revised interpretations

- IFRIC 21 Levies (effective beginning on or after 1 January 2014)

The directors anticipate that the adoption of these standards, amendments to existing standards and interpretations in future periods will have no material financial impact on the financial statements of the Group or the Company.

2. Total income

	2013 £	2012 £
Dividends	378,479	708,981
Interest on portfolio investments	745,656	704,222
Deemed income distributions	—	13,962
Profit on investments held for trading	10,391	(64,304)
Other income	468	148
	<u>1,134,994</u>	<u>1,363,009</u>

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

3. Administrative expenses

	2013 £	2012 £
Staff costs (see note a)	212,236	188,625
Management expenses:		
Administration fee (see note c)	138,750	111,000
Restructuring costs charged to profit and loss	191,466	–
Others	103,574	104,265
Fees payable to the Company's auditors:		
– for the audit of the annual accounts of the Group	23,650	24,700
– other services relating to taxation	5,000	5,000
– other assurance services	32,675	–
	707,351	433,590

(a) Staff costs during the period:

Salaries and fees (see note b)	174,796	155,200
Social Security costs	12,251	13,928
Pension costs	25,189	19,497
	212,236	188,625

	2013 Number	2012 Number
The average number of persons employed by the Company during the period was:		
Directors	5	5
Staff	1	1

Pension commitments

At 30 June 2013 the company had accrued £100,000 (2012: £100,000) towards the purchase of an annuity for a former employee of the Company.

(b) Directors' remuneration

Directors' remuneration comprised as follows:

	2013 £	2012 £
Sir David Thomson Bt.	17,500	14,000
Mr. S. J. Cockburn	72,296	64,000
Miss J. B. Webb	13,750	11,000
Mr. P. S. Allen	13,750	11,000
Mr. P. A. Lovegrove	17,500	14,000
Mr. M. H. W. Perrin	–	–
	134,796	114,000

During the period, Mr S. J. Cockburn was contracted under a service contract with a remuneration which is in addition to his director's fee of £14,000 per annum. All Directors' remuneration was in respect of short-term benefits. There were no post employment benefits, other long-term benefits or termination benefits.

(c) An administration charge of £27,750 (2012: £27,750) plus VAT per quarter was charged by Ionian Investment Management, a division of Fiske plc. Mr Cockburn is interested in Fiske plc as a director and shareholder.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

4. Taxation

	2013 £	2012 £
Arising on revenue items	–	–
Arising on capital items	–	–
	–	–
	<u>–</u>	<u>–</u>
Factors affecting the tax charge for the period		
The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom (24%)		
The differences are explained below:		
Profit on ordinary activities before taxation	199,185	258,174
	<u>199,185</u>	<u>258,174</u>
Tax on profit on ordinary activities at 24% (2012: 26%)	47,804	67,125
Effects of:		
Expenses not deductible for tax purposes	2,742	2,849
Movement in impairment provision not deductible for tax purposes	(11,730)	70,268
Preference dividends not deductible for tax purposes	103,812	90,904
Dividend income not taxable	(90,835)	(187,964)
Realised gains per accounts	(52,827)	(6,785)
Utilisation of tax losses	1,034	–
Unutilised tax losses carried forward	–	(36,397)
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

Deferred taxation

No provision has been made for deferred taxation. The potential deferred tax asset at 30 June 2013 not recognised was as follows:

	2013 £	2012 £
Short-term timing differences	5,538	6,000
Credit on revaluation of investments	(376,783)	(608,783)
	<u>(371,245)</u>	<u>(602,783)</u>

5. Net revenue after taxation

As permitted by section 408 of the Companies Act 2006 the parent undertaking has not presented its own Income Statement in these financial statements. The consolidated return for the period of £199,185 (2012: £258,174) includes a return of £2,607,341 (2012: £309,001) which is dealt with in the accounts of the parent undertaking.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

6. Finance Costs	2013 £	2012 £
Participating Preference Shares		
Fixed entitlement accrued in first half year		
3.5p (2012: 3.5p) Paid 1 Oct 12	174,818	174,818
Fixed entitlement accrued in second half year		
3.5p (2012: 3.5p) Paid 1 Apr 13	174,818	174,818
Fixed entitlement accrued up to conversion on 27 June 2013 1.66p Paid 17 Jul 13	82,914	–
Participating preference dividends accounted as finance costs	432,550	349,636

7. Dividends payable	2013 £	2012 £
Participating Preference Shares		
Participating element Paid 1 Oct 12	49,948	49,948
Ordinary Shares		
Prior year final paid 4p (2012: 4p) Paid 1 Sept 12	74,696	74,696
Current period interim paid 2p (2012: 2p) Paid 7 Jan 13	37,348	37,347
Ordinary dividends paid	112,044	112,043
	161,992	161,991

8. Return per ordinary share

The calculation of basic earnings per share is based on the weighted average number of ordinary shares in issue throughout the period, excluding own shares held by the group.

As the Company has no options or warrants in issue, basic and diluted return per share are the same.

Return per share:

	2013 Net return £	2013 Ordinary shares	2013 Per share Pence	2012 Net return £	2012 Ordinary shares	2012 Per share Pence
Revenue						
Return attributable to ordinary shareholders	(119,750)	1,886,328	(6.35)p	452,390	1,867,391	24.23p
Capital						
Net investment gains/(losses) after tax	268,987	1,886,328	14.26p	(244,164)	1,867,391	(13.08)p
Total	149,237	1,886,328	7.91p	208,226	1,867,391	11.15p

The number of ordinary shares used in the calculation of Adjusted return per share is calculated as follows:

	2013 £	2012 £
Weighted average number of Ordinary Shares of 50p each	3,625,069	3,617,456
Weighted average number of Non-voting ordinary shares held by subsidiary	(1,706,241)	(1,717,565)
Non-voting ordinary shares held in treasury	(32,500)	(32,500)
	1,886,328	1,867,391

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

9. Investments

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Valuation at 1 April 2012	12,216,646	11,721,142	12,216,646	11,721,142
Unrealised diminution at 1 April 2012	856,618	447,531	953,292	544,205
Cost at 1 April 2012	13,073,264	12,168,673	13,169,938	12,265,347
Additions	290,439	1,413,611	290,439	1,413,611
Cost of disposals	(955,193)	(509,020)	(955,192)	(509,020)
Cost at 30 June 2013	12,408,510	13,073,264	12,505,185	13,169,938
Unrealised appreciation/(diminution) at 30 June 2013	390,084	(856,618)	293,409	(953,292)
Valuation at 30 June 2013	12,798,594	12,216,646	12,798,594	12,216,646
Aggregate value of investments listed on a recognised Stock Exchange	11,773,385	10,845,936	11,773,384	10,845,936
Other investments at Directors' valuation	1,025,209	1,370,710	1,025,210	1,370,710
	12,798,594	12,216,646	12,798,594	12,216,646

Fair value estimation: IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

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

Level 3 – Inputs for assets that are not based on observable market data (that is, unobservable inputs)

The table below presents the Group's assets that are measured at fair value:

At 30 June 2013	Level 1	Level 2	Level 3	Total
	£	£	£	£
Fixed asset investments held by the Company	–	6,008,774	6,789,820	12,798,594
Current asset investments held by a trading subsidiary	122,860	–	–	122,860
	122,860	6,008,774	6,789,820	12,921,454
At 31 March 2012	Level 1	Level 2	Level 3	Total
	£	£	£	£
Fixed asset investments held by the Company	–	5,588,867	6,627,779	12,216,646
Current asset investments held by a trading subsidiary	182,857	–	–	182,857
	182,857	5,588,867	6,627,779	12,399,503

Instruments included in Level 2 are reported at the mid bid/offer price less 1%.

Where significant inputs are not based on observable market data, the instrument is included in Level 3.

There were no transfers between levels during the period (2012: none).

Specific valuation techniques used to value the financial instruments include:

- Quoted market prices
- Other techniques, taking account of independent market opinion, are used to determine the fair value for the remaining financial instruments.

These assets comprise primarily London Stock Exchange equity investments and fixed income securities classified as fixed asset and current asset investments as appropriate.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

10. Investment in Subsidiaries

	Company 2013 £	2012 £
At cost	5,410,552	5,410,552
Provision for diminution in value	(4,547,896)	–
At cost	862,656	5,410,552

Subsidiaries

At 30 June 2013 the company held interests in the following subsidiary companies:

	Country of Incorporation	% Share of capital held	% Share of voting rights	Nature of business	Share Capital and Reserves at 30 June 2013	Profit/(Loss) in period to 30 June 2013
Abport Limited	England	100%	100%	Investment dealing company	(529,706)	11,768
New Centurion Trust Limited	England	100%	100%	Investment company	859,811	(2,415,228)

During the period to 30 June 2013, the 1,717,565 Ordinary Shares in the Company held by New Centurion Trust Limited were converted into Fixed Rate Preference shares of 50p each in the Company. Pursuant to this New Centurion Trust Limited made a provision for a diminution in value of its holding in its Parent Company, previously valued at the pro rata Net Asset Value of the Investment Company, so as to value the Fixed Rate Preference shares at their 50p capital entitlement each. This provision amounted to £4,568,036.

In addition, during the period to 30 June 2013, New Centurion Trust Limited forgave the intercompany debt due to it by The Investment Company plc, amounting to £2,413,067.

Following these two adjustments, the net assets of New Centurion Trust were materially reduced and accordingly a provision for diminution in value was made in the capital reserve of the parent company.

The forgiveness of intercompany debt by the subsidiary gave rise to a matching gain in the income statement of the parent company.

11. Financial Instruments by Category

Group assets as per balance sheet as at 30 June 2013	Loans and receivables £	Assets at fair value through profit and loss £	Available for sale £	Total £
Available for sale	–	–	12,798,594	12,798,594
Trade and other receivables	1,393,916	–	–	1,393,916
Other financial assets at fair value through profit and loss	–	122,860	–	122,860
Cash and cash equivalents	3,138,062	–	–	3,138,062
Total	4,531,978	122,860	12,798,594	17,453,432
Group liabilities as per balance sheet as at 30 June 2013		Liabilities at fair value through profit and loss £	Other financial liabilities £	Total £
Trade and other payables		–	401,634	401,634
Dividends payable		–	82,914	82,914
Borrowings		–	731,400	731,400
Total		–	1,215,948	1,215,948

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

11. Financial Instruments by Category (continued)

Group assets as per balance sheet as at 31 March 2012	Loans and receivables	Assets at fair value through profit and loss	Available for sale	Total
	£	£	£	£
Available for sale	–	–	12,216,646	12,216,646
Trade and other receivables	214,896	–	–	214,896
Other financial assets at fair value through profit and loss	–	182,857	–	182,857
Cash and cash equivalents	284,517	–	–	284,517
Total	499,413	182,857	12,216,646	12,898,916

Group liabilities as per balance sheet as at 31 March 2012	Liabilities at fair value through profit and loss	Other financial liabilities	Total
	£	£	£
Trade and other payables	–	231,974	231,974
Dividends payable	–	174,818	174,818
Borrowings	–	4,094,503	4,094,503
Total	–	4,501,295	4,501,295

12. Trade and other receivables

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Amount due from Abport Limited	–	–	82,306	154,221
Share capital subscriptions received after period end	1,195,345	–	1,195,345	–
Trade and other receivables	198,571	214,896	198,569	214,896
Total	1,393,916	214,896	1,476,220	369,117

Other receivables principally comprise amounts outstanding for trade sales and dividends receivable. These amounts are unsecured, non-interest bearing and have no fixed repayment period.

13. Investments

Investments held as current assets are shown at fair value through profit or loss of £122,860 (2012: £182,857). If they had been shown at cost they would have been carried at £291,898 (2012: £342,945).

14. Trade and other payables

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Reconstruction costs accrued	186,656	–	186,656	–
Other trade payables	214,978	231,974	210,692	227,988
Total	401,634	231,974	397,348	227,988

These payables are unsecured and non-interest bearing. Other trade payables principally comprise amounts outstanding for operating expenses. Of the other trade payables, £100,000 (2012: £100,000) is an accrual for a pension contribution; the remaining other trade payables are due for payment within 30 days.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

15. Interest bearing liabilities

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank overdraft	–	500,000	–	500,000
5% loan notes maturing 2013/2015	731,400	1,097,100	731,400	1,097,100
Participating preference shares	–	2,497,403	–	2,497,403
Fixed rate preference shares	–	–	858,783	–
	<u>731,400</u>	<u>4,094,503</u>	<u>1,590,183</u>	<u>4,094,503</u>

An overdraft facility is available to the company of up to £500,000, to be secured by an omnibus charge over a portfolio of shares with a valuation of £1,250,000. At 30 June 2013 no overdraft was outstanding.

The loan notes were issued at par on 7 March 2005 as part of the consideration for the acquisition of New Centurion Trust Limited. The loan notes are unsecured and unsubordinated and are being redeemed by the Company at par as to 50% of their aggregate original principal amount on the fifth anniversary of the completion date, which was 7 March 2010, and as to a further 10% on each anniversary thereafter up to and including the tenth anniversary.

Loan notes maturity analysis

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
In not more than one year	365,700	365,700	365,700	365,700
In more than one year but not more than two years	365,700	365,700	365,700	365,700
In more than two years but not more than five years	–	365,700	–	365,700
	<u>731,400</u>	<u>1,097,100</u>	<u>731,400</u>	<u>1,097,100</u>

The Participating Preference Shares of 50p each are analysed as to:

	Group and Company			
	2013		2012	
	No.	£	No.	£
<i>Allotted, issued and fully paid</i>				
At 1 April 2012	4,994,805	2,497,403	4,994,805	2,497,403
Conversion into Ordinary shares	(4,994,805)	(2,497,403)	–	–
At 30 June 2013	<u>–</u>	<u>–</u>	<u>4,994,805</u>	<u>2,497,403</u>

The Fixed Rate Preference Shares of 50p each are analysed as to:

	2013		2012	
	No.	£	No.	£
<i>Allotted, issued and fully paid</i>				
At 1 April 2012	–	–	–	–
Conversion of Non-voting Ordinary shares	1,717,565	858,783	–	–
At 30 June 2013	<u>1,717,565</u>	<u>858,783</u>	<u>–</u>	<u>–</u>

The Fixed rate preference shares, all of which are held by New Centurion Trust Limited, a wholly owned subsidiary of the Company, are non-voting, are entitled to receive a cumulative dividend of 0.01p per share per annum, and are entitled to receive their nominal value, 50p, on a distribution of assets or a winding up.

The directors do not consider the fair values of the group's financial instruments to be significantly different from the carrying values.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

16. Issued capital

	Group and Company			
	2013		2012	
	No.	£	No.	£
Allotted, issued and fully paid Ordinary shares of 50p each				
At 1 April 2012	1,899,891	949,946	1,899,891	949,946
Issued pursuant to conversion of Participating Preference Shares	1,547,665	773,833	—	—
Issued pursuant to a placing	1,324,493	662,246	—	—
At 30 June 2013	4,772,049	2,386,025	1,899,891	949,946
Non-voting shares of 50p each				
Non-voting shares held by New Centurion Trust at 1 April 2012	1,717,565	858,782	1,717,565	858,782
Converted into Fixed rate preference shares	(1,717,565)	(858,782)	—	—
At 30 June 2013	—	—	1,717,565	858,782
		2,386,025		1,808,728

In addition to the above Ordinary shares, the issued capital of the Company includes 1,717,565 Fixed Rate Preference shares of 50p each. Details of these preference shares in the Company are set out in note 15.

The Ordinary Shares entitle the holders to receive all ordinary dividends and all remaining assets on a winding up, after the Fixed Rate Preference Shares have been satisfied in full.

The Company holds 32,500 Ordinary shares in the Company. These shares are held in treasury and have been re-designated non-voting.

17. Reserves

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Share premium				
Balance at 1 April 2012	1,019,246	1,019,246	1,019,246	1,019,246
Issue of new Ordinary Shares	3,682,753	—	3,682,753	—
Costs of transaction	(237,556)	—	(237,556)	—
Balance at 30 June 2013	4,464,443	1,019,246	4,464,443	1,019,246
Own Shares Held				
Balance at 1 April 2012	(2,919,861)	(2,919,861)	—	—
Conversion of Non-voting Ordinary Shares into Fixed Rate Preference Shares	2,919,861	—	—	—
Balance at 30 June 2013	—	(2,919,861)	—	—
Capital redemption reserve				
Balance at 1 April 2012	685,250	685,250	685,250	685,250
Cancellation of deferred shares arising from conversion of Preference shares into Ordinary shares	1,723,570	—	1,723,570	—
Balance at 30 June 2013	2,408,820	685,250	2,408,820	685,250

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

17. Reserves (continued)

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Revaluation reserve				
Balance at 1 April 2012	2,313,745	2,452,571	2,343,247	2,466,071
Unrealised revaluation of investments	1,197,824	(138,826)	1,193,126	(122,824)
Balance at 30 June 2013	<u>3,511,569</u>	<u>2,313,745</u>	<u>3,536,373</u>	<u>2,343,247</u>
Capital reserve				
Balance at 1 April 2012	4,806,064	5,050,228	4,717,960	4,980,161
Realised gains	220,111	26,097	220,111	24,062
Impairment provisions	48,876	(270,261)	53,575	(286,263)
Conversion of Non-voting Ordinary Shares into Fixed Rate Preference Shares	(2,061,079)	—	—	—
Provision for diminution in value of investment in subsidiary undertaking	—	—	(4,547,896)	—
Balance at 30 June 2013	<u>3,013,972</u>	<u>4,806,064</u>	<u>443,750</u>	<u>4,717,960</u>
Revenue account				
Balance at 1 April 2012	684,449	344,102	791,006	381,795
Retained return for the period	(231,794)	340,347	2,171,663	409,211
Balance at 30 June 2013	<u>452,655</u>	<u>684,449</u>	<u>2,962,669</u>	<u>791,006</u>

A full reconciliation of the movement in reserves is shown in the Consolidated Statement of Changes in Equity.

The following is a description of the nature and purpose of the key reserves:

- Own shares held were shares in the Company that are owned by New Centurion Trust Limited which, following its acquisition in March 2005, became a wholly owned subsidiary of the Company.
- The capital redemption reserve reflects the nominal value of deferred shares which have been cancelled and the nominal value of ordinary and preference shares which have been bought in by the Company.
- The revaluation reserve reflects the difference between the cost of portfolio investments and the market value at which they are held on the balance sheet, where market value is greater than cost.
- The capital reserve is the total of accumulated realised gains and losses on disposal of portfolio investments, less unrealised losses.
- Revenue account consists of revenue earnings after taxation, dividends and any transfers to capital redemption reserve arising on the buy-in of own shares.

The Own Shares Held reserve, the capital redemption reserve, the revaluation reserve and the capital reserve are non-distributable reserves.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

18. Reconciliation of movements in shareholders' funds

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Return for the financial period	199,185	258,174	2,607,341	309,001
Dividends	(161,992)	(161,991)	(161,992)	(161,991)
	37,193	96,183	2,445,349	147,010
Other recognised gains and losses relating to the period	1,197,824	(138,826)	1,193,126	(122,824)
Conversion of Preference Shares into Ordinary Shares	2,497,403	–	2,497,403	–
Issue of new Ordinary Shares	4,107,443	–	4,107,443	–
Non-voting shares converted into fixed rate preference shares	–	–	(858,782)	–
Provision for diminution in value of investment in subsidiary undertaking	–	–	(4,547,896)	–
Net increase in shareholders' funds	7,839,863	(42,643)	4,836,643	24,186
Opening shareholders' funds	8,397,621	8,440,264	11,365,437	11,341,251
Closing shareholders' funds	16,237,484	8,397,621	16,202,080	11,365,437
Attributable on a winding up to:				
Premium payable to Participating Preference shareholders	–	2,497,403	–	2,497,403
Ordinary shareholders	16,237,484	5,900,218	16,202,080	8,868,034
	16,237,484	8,397,621	16,202,080	11,365,437

The Participating Preference Shares were entitled, on any return of capital, to the payment of a premium of 50p per share. This 50p premium, amounting to £2,497,403, fell to be treated as a contingent call on Shareholders' funds as shown in the above table.

A reconciliation of the Consolidated balance sheet and the Company's balance sheet is as follows:

	2013 £	2012 £
Consolidated balance sheet net assets	16,237,484	8,397,621
Cost of non-voting ordinary shares of the Company held by New Centurion Trust Limited	2,919,861	2,919,861
Less: impact of conversion of non-voting ordinary shares into Fixed Rate Preference Shares	(858,783)	–
Goodwill on acquisition of New Centurion Trust Limited and Abport Limited being primarily costs of acquisition which have been amortised in the consolidated accounts	354,879	354,879
Provision for diminution in value of investment in subsidiary undertaking	(4,547,896)	–
Adjustments for post acquisition trading of subsidiaries	2,096,535	(306,924)
Company balance sheet net assets	16,202,080	11,365,437

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

19. Net asset value per ordinary share

The net asset value per ordinary share is calculated as follows:

	2013 £	2012 £
Net assets at 30 June 2013	16,237,484	8,397,621
Less premium attributable to Participating Preference Shareholders	—	(2,497,403)
Net assets attributable to ordinary shareholders	16,237,484	5,900,218
Ordinary shares in issue, excluding own shares held	4,379,549	1,867,391
Net asset value per ordinary share	342.60p	315.96p

The underlying investments of New Centurion Trust Limited comprise Fixed Rate Preference Shares in The Investment Company plc and, being effectively eliminated on consolidation, the valuation thereof does not impact the net asset value attributable to ordinary shareholders.

20. Ultimate controlling party

The Company has no ultimate controlling party.

21. Related party transactions

During the fifteen month period the Company was charged administration fees of £138,750 (year to 31 March 2012: £111,000) by Ionian Investment Management which is a division of Fiske plc. At 30 June 2013 there were no balances outstanding (2012: £nil). Mr S. J. Cockburn is interested as a director and substantial shareholder in Fiske plc.

Available for sale investments include a holding of nil Ordinary 25p shares in Fiske plc (2012: 1,106,000 shares valued at £640,540).

Directors' fees and salaries are set out note 3.

During the period, the Directors each received dividends attributable to their respective shareholdings, as disclosed in the Directors' Report, amounting to 6p (2012: 6p) per ordinary share and 8p (2012: 8p) per Preference share. The Directors consider there to be no key management personnel other than the Directors.

22. Contingent liabilities

There were no contingent liabilities at 30 June 2013.

23. Analysis of financial assets and liabilities

Background

The investment objective of the group is to generate income and capital growth over the medium term. The group's financial instruments comprise investments in fixed interest securities and prior charge investments, borrowings for investment purposes, cash balances and debtors and creditors that arise directly from its operations.

Risks

The principal risks the group faces in its portfolio management activities are:

- Market price risk – arising from uncertainty about future prices of financial instruments used by the group;
- Interest rate risk – arising because the group may borrow funds in order to increase the amount of capital available for investment; and
- Liquidity risk – because the group may invest in small companies with more limited marketability and in investments not traded on recognised or designated investment exchanges.

Policy

The investment philosophy of the Directors is to identify areas of value and potential capital growth in the medium term.

Specific policies for managing risks are summarised below and have been applied throughout the period:

1. Market price risk

The Manager monitors the prices of financial instruments held by the group on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS *continued*

For the fifteen month period ended 30 June 2013

23. Analysis of financial assets and liabilities (continued)

2. Interest rate risk

The Company finances its operations through existing reserves and loan notes with a fixed coupon of 5%.

3. Liquidity risk

The group's assets mainly comprise readily realisable quoted and unquoted securities that can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of overdraft facilities.

Financial instruments

Non-current assets	2013 £	2012 £
Listed Investments	11,773,385	10,845,936
Unlisted Investments	1,025,209	1,370,710
	12,798,594	12,216,646

Current asset investments

The group holds current asset investments with a market value of £210,208 (2012: £266,251) at the period end. Investments are subject to fluctuation in value due to market forces including interest rates.

Current assets and current liabilities

The group's current assets and liabilities are denominated in sterling.

Long-term loan

The loan notes bear interest at a fixed rate of 5% per annum and are repayable in instalments. The value of current assets, current liabilities and long-term loans are not subject to interest rate risk.

Sensitivity

The direct impact of a 5% movement in the value of the portfolio investments and current asset investments amounts to £646,073 (2012: £619,975), being 14p (2012: 33p) per ordinary share. The Directors are of the opinion that the direct impact of a movement in short-term interest rates on the value of the investments is relatively small due to the illiquid and specialised nature of the investments in the portfolio.

Capital structure and management

The capital structure of the Group consists of cash held on deposit, loan notes and Ordinary Shares.

	2013 £	2012 £
Cash and bank balances	3,138,062	284,517
Bank overdraft	—	(500,000)
Interest bearing liabilities	(731,400)	(1,097,100)
Net cash/(debt)	2,406,662	(1,312,583)
Participating preference shares	—	(2,497,403)
Net cash/(debt and preference shares)	2,406,662	(3,809,986)
Ordinary Shareholders' funds	16,230,484	8,397,621
Gearing (net debt/ordinary shareholders' funds)	nil	45.4%

The type and maturity of the Group's borrowings are analysed in notes 15 and 18 and the Group's equity is analysed in note 16. Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow The Investment Company plc to operate effectively. Where appropriate shareholder returns can be enhanced through buying-in preference shares in the market. Capital is managed on a consolidated basis. The Group is not a member of any body that imposes minimum levels of regulatory capital. No significant external constraints in the management of capital have been identified in the past.

TWENTY LARGEST INVESTMENTS

At 30 June 2013

Stock	Number	% Issue	Book cost £	Market or Directors' valuation £	% of total portfolio
1. Lloyds Banking Group					
7.8673% ECN 17/12/19 (LBG Capital)	500,000	0.15%	167,613	503,415	
7.5884% ECN 12/05/20 (LBG Capital)	1,750,000	0.24%	795,219	1,736,745	
9.125% ECN 15/07/20 (LBG Capital)	100,000	0.03%	89,224	106,920	
14.5% ECN 30/01/22 (LBG Capital)	300,000	0.38%	246,247	400,950	
7.975% ECN 15/09/24 (LBG Capital)	920,000	0.90%	548,906	926,739	
7.281% Perpetual (Bank of Scotland)	400,000	0.27%	315,331	390,555	
			2,162,540	4,065,324	31.76%
2. Phoenix Life Ltd					
7.25% perp notes	1,060,000	0.53%	811,923	947,084	7.40%
3. Royal Bank of Scotland					
9% series 'A' non-cum pref (NatWest)	500,000	0.36%	362,920	556,875	
SPON ADR each rep Pref C (NatWest)	20,000	1.67%	55,473	327,096	
			418,393	883,971	6.91%
4. Skipton Building Society					
1.544% FRNs 18/01/18	500,000	1.00%	394,948	366,300	
10% Notes 12/12/18	400,000	0.53%	368,569	407,880	
			763,517	774,180	6.05%
5. Anpario					
ordinary 23p §	300,000	1.64%	422,146	521,235	4.07%
6. Fishguard & Rosslare					
3½% gtd preference stock	790,999	63.91%	441,810	512,923	4.01%
7. Newcastle Building Society					
6.25% sub notes 23/12/19	600,000	2.40%	405,438	470,448	3.68%
8. REA Holdings					
9.5% Gtd Notes 31/12/17	300,000	2.00%	298,254	311,850	
7.5% Dollar Notes 30/06/17	150,000	0.44%	76,740	98,753	
			374,994	410,603	3.21%
9. Amalgamated Metal					
5.4% cum pref £1 †	256,065	18.22%	144,049	192,049	
6% cum pref £1 †	213,510	23.72%	103,844	179,348	
			247,893	371,397	2.90%

TWENTY LARGEST INVESTMENTS *continued*

At 30 June 2013

Stock	Number	% Issue	Book cost £	Market or Directors' valuation £	% of total portfolio
10. Investec Investment Trust					
3.5% cum pref £1	461,508	35.50%	297,672	276,420	
5% cum pref £1	104,043	30.12%	79,593	78,797	
			<u>377,265</u>	<u>355,217</u>	2.78%
11. The Liberty Group					
Liberty Ltd: 6% cum pref £1	250,225	64.99%	107,446	107,759	
Liberty Retail Ltd: 9.5% cum pref £1 †	199,708	78.59%	146,996	199,708	
			<u>254,442</u>	<u>307,467</u>	2.40%
12. S&U					
31.5% preference shares 12.5p	489,192	13.59%	266,283	256,679	
6% cum pref £1	67,850	33.93%	56,198	50,043	
			<u>322,481</u>	<u>306,722</u>	2.40%
13. Chesnara					
ordinary 5p §	110,000	0.11%	112,801	272,250	2.13%
14. Bristol Water					
4% cons deb irrd stock £1	360,118	25.63%	209,705	240,649	1.88%
15. Arbutnot Banking Group					
ordinary 1p §	25,000	0.17%	102,688	224,606	1.75%
16. Northgate					
5% cum pref 50p	532,763	53.28%	188,350	208,337	1.63%
17. Morgan Crucible					
5% 2nd cum pref £1	169,500	54.33%	130,428	130,049	
5.5% 1st cum pref £1	94,000	75.00%	77,822	76,775	
			<u>208,250</u>	<u>206,824</u>	1.62%
18. Renold					
6% cum pref £1	422,109	72.72%	330,490	173,423	1.36%
19. Whitnash					
5% cum pref £1 †	329,603	65.92%	81,843	148,321	1.16%
20. Associated British Engineering					
ordinary 2.5p §	100,000	4.88%	120,000	118,800	0.93%
			<u>8,356,969</u>	<u>11,519,781</u>	<u>90.01%</u>

§ Issues with unrestricted voting rights

† Unquoted investments at Directors' valuation

The Group has a total of 84 portfolio investment holdings in 71 companies.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 147th Annual General Meeting of The Investment Company plc (“the Company”) will be held at the offices of Fiske plc, 3rd Floor, Salisbury House, London Wall, London EC2M 5QS at 12.30 p.m. on Thursday 3 October 2013 for the following purposes:

Routine Business

To consider and if thought fit resolve as ordinary resolutions:

1. To receive and adopt the accounts and reports of the Directors and the Auditors for the financial period ended 30 June 2013.
2. To approve the Directors’ remuneration report for the financial period ended 30 June 2013 (as set out in the annual report and accounts of the Company for such period).
3. To re-elect Stephen Cockburn as a Director.
4. To elect Martin Perrin, who, having been appointed as a director since the last general meeting of the company, offers himself for election as a director of the company.
5. To reappoint Saffery Champness as the Company’s Auditors and to authorise the Directors to determine their remuneration.

3rd Floor
Salisbury House
London Wall
London EC2M 5QS

By Order of the Board
James P. Q. Harrison
Secretary

28 August 2013

NOTICE OF ANNUAL GENERAL MEETING *continued*

Notes:

Right to appoint a proxy

1. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
2. A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Capita Registrars Ltd on 0871 664 0300.

Procedure for appointing a proxy

3. To be valid, the proxy form must be received by post or (during normal business hours only) by hand at Capita Registrars Ltd, (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours before the meeting time. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.
4. The return of a completed proxy form will not preclude a member from attending the annual general meeting and voting in person if he or she wishes to do so.

Nominated persons

5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him or her and the member by whom he or 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 or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
6. The statement of the rights of members in relation to the appointment of proxies in notes 1 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Record date and entitlement to vote

7. To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company 48 hours before AGM time (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting. Only holders of Ordinary Shares (other than Non-voting Ordinary Shares) are entitled to attend and vote at the Annual General Meeting.

Documents available for inspection

8. There will be available for inspection at the registered office of the Company, Fiske plc, 3rd Floor, Salisbury House, London Wall, London EC2M 5QS (which is also the place at which the Annual General Meeting will be held), during normal business hours on any weekday (excluding Saturdays and public holidays) and for at least 15 minutes prior to and during the Annual General Meeting, copies of (i) the service contract of the Managing Director; and (ii) the letter of appointment of each other Director; and (iii) copies of the Articles of Association of the Company.

