

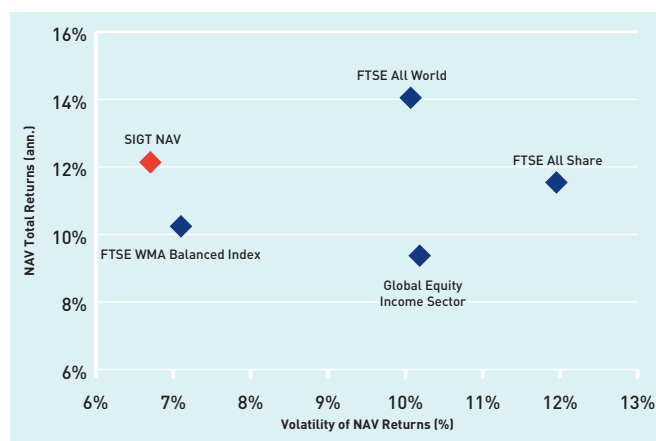
Seneca Global Income & Growth Trust plc

Annual Report and Accounts 30 April 2015



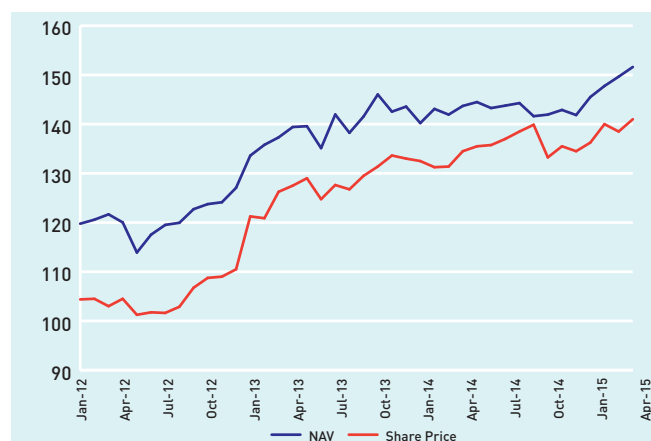
Seneca Global Income & Growth Trust plc

Chart 1 – Volatility Level Since Change in Investment Policy



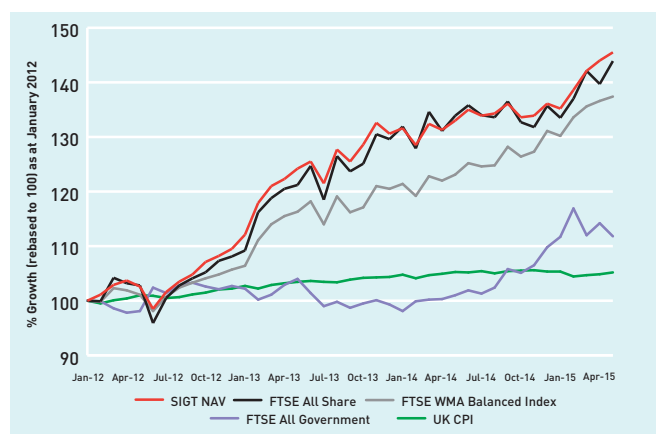
Sources: Morningstar and Financial Express

Chart 2 – NAV vs Share Price Since Change in Investment Policy, GBP



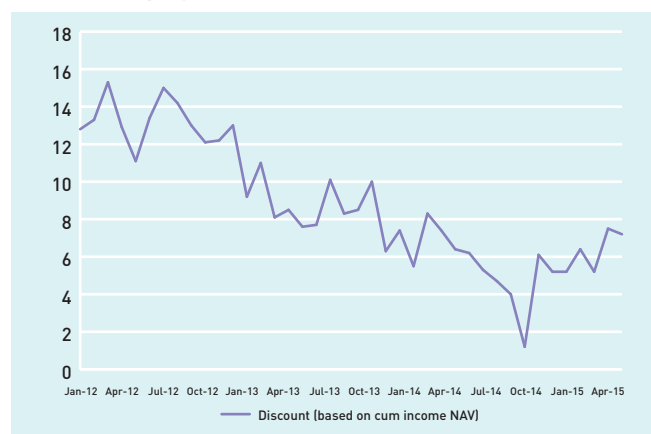
Sources: R&H Fund Services Limited and Bloomberg

Chart 3 – Cumulative Growth Since Change In Investment Policy, NAV Total Return, GBP



Sources: R&H Fund Services Limited and Bloomberg

Chart 4 – Company Discount Level



Sources: R&H Fund Services Limited and Bloomberg

Total returns against comparator indices for periods to 30 April 2015

	1 Year	Cumulative 3 Year	5 Year	Since 18.01.2012
	%	%	%	%
SIGT NAV	9.6	42.2	54.2	45.5
SIGT Share Price	9.1	54.0	53.2	57.8
Benchmark*	3.6	11.3	28.5	12.6
AIC Global Equity Income (unweighted)	7.8	31.0	52.3	34.0
FTSE All Share	7.8	41.3	58.5	43.9
FTSE Govt All Stocks	10.7	13.9	36.7	11.8
FTSE WMA Balanced	11.6	35.8	50.1	37.4
UK CPI	0.0	4.1	12.1	5.2

Sources: Bloomberg and Morningstar

* Benchmark: 3 month LIBOR GBP +3%

Seneca Global Income & Growth Trust plc

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Our Objective

To outperform 3-month LIBOR plus 3.0% over the longer term, with low volatility and the prospect of income and capital growth, through investment in a multi-asset portfolio.

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Financial Highlights

Performance (total return)

	1 year % return	Since 18/01/12 % return
Share price	+9.1	+57.8
Net asset value	+9.6	+45.5
Benchmark ^A	+3.6	+12.6

^A 3 month LIBOR GBP +3%

	30 April 2015	30 April 2014	% change
Total assets * (£'000)	67,591	64,378	+5.0
Total equity shareholders' funds (net assets) (£'000)	60,591	57,378	+5.6
Share price (mid market)	141.00p	134.50p	+4.8
Net asset value per share	151.87p	143.82p	+5.6
Discount	7.2%	6.5%	
Actual gearing*	1.10	1.12	
Potential gearing*	1.12	1.12	
Ongoing charges ratio*	1.51%	1.54%	
Dividends and earnings			
Total return per share	13.65p	9.75p	
Revenue return per share	5.89p	5.71p	+3.2
Dividends per Ordinary share	5.67p	5.42p	+4.6
Revenue reserves (£'000)	965	847	

	Rate	xd date	Record date	Payment date
Fourth interim 2015	1.47p	21 May 2015	22 May 2015	12 June 2015
Third interim 2015	1.40p	19 February 2015	20 February 2015	13 March 2015
Second interim 2015	1.40p	20 November 2014	21 November 2014	12 December 2014
First interim 2015	1.40p	20 August 2014	22 August 2014	12 September 2014
Total	5.67p			
Fourth interim 2014	1.40p	21 May 2014	23 May 2014	13 June 2014
Third interim 2014	1.34p	19 February 2014	21 February 2014	14 March 2014
Second interim 2014	1.34p	20 November 2013	22 November 2013	13 December 2013
First interim 2014	1.34p	21 August 2013	23 August 2013	16 September 2013
Total	5.42p			

* A glossary of the term used can be found on page 48.

Chairman's Statement

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Highlights

- Net asset value total return of 9.6%
- Share price total return of 9.1%
- Dividend for the year increased by 4.6% to 5.67 pence
- Annualised volatility* 6.7% compared with 12.0% for the FTSE All- Share Index
- Share price discount to net asset value of 7.2% at the period end (1.9% currently)

Introduction

Following the takeover and name change of your Manager in March last year, shareholders approved the change in your Company's name to Seneca Global Income & Growth Trust plc at the AGM in September 2014, as they overwhelmingly did its continuation.

Investment Objective

The Company's Investment Objective, as noted on page 1 of this Annual Report, is to outperform 3-month LIBOR plus 3.0 per cent over the longer term, with low volatility and the prospect of income and capital growth, through investment in a multi-asset portfolio.

Your Manager has, as I said in my statement last year we would, discussed with major shareholders the ongoing appropriateness and usefulness of your Company's benchmark. There was no appetite for change, there being no "perfect" benchmark against which to judge the investment policy, though various indices and measures for comparative purposes were suggested and a number are incorporated in this Report. The Company aims to provide a materially better return to shareholders over the long term than they would receive by placing money on deposit, whilst investing in a way that reduces the volatility of returns. The benchmark is only a target and is not a point of reference for the Manager in selecting the portfolio. Having reviewed various suggestions and options your Board will show the Company's investment performance and volatility levels against a range of relevant indices and the Global Equity Income Sector to allow investors to compare performance against these alternative investment opportunities.

Investment and Share Price Performance

Your Company's net asset value total return for the year was 9.6%, ahead of the benchmark return of 3.6%. This continued the Company's success over recent years, and as at 30 April 2015, your Company's net asset value total return, since the introduction of the new investment policy in January 2012, was 45.5%. Over the same period the benchmark return was 12.6%. The Company received a 5 star Morningstar Rating™ as at 30 April 2015 for its three year, five year and overall past performance. Chart 3 on the inside front cover of the Annual Report shows the Company's

performance against a range of relevant indices as mentioned above. In spite of the degree of outperformance of the benchmark, this performance has been achieved in the context of a volatility level that was substantially lower than that of the equity market and other trusts in the Global Equity Income sector over both the year and since January 2012. The longer term volatility record can be seen in chart 1 on the inside front cover.

The discount at which the Company's shares trade to net asset value stood at 7.2% at the year end, a little wider than the 6.5% at the previous year end; this widening contributed to a share price total return of 9.1%. The average discount over the year was 4.9%, compared with 8.3% last year, and it currently stands at 1.9% as I write. The discount over the period from January 2012 to the date of these accounts is shown in charts 2 and 4 on the inside front cover, and you will see a broadly satisfactory narrowing of the discount over that two and a half year period, with the exception of the expansion of the discount towards the Company's year end, a period in which discounts in the closed end funds sector generally widened. I return to this subject below.

Dividends and Income

The Company paid a fourth interim dividend of 1.47 pence per share, which represented an increase of 5.0% on the 1.40 pence per share paid in respect of the same period last year. This dividend, taken with the previous three interim dividends, gives a total dividend of 5.67 pence per share in respect of the year to 30 April 2015, an increase of 4.6% on the previous year's 5.42 pence. We have also been able to add to revenue reserves.

It is the Board's intention, barring unforeseen circumstances, that it will at least maintain the quarterly dividend rate of 1.47 pence per share for the full year to 30 April 2016. At the year end price of 141.0p and on a full year's dividends of 5.88p for the year to 30 April 2016 the Company's shares yield approximately 4.2%.

Gearing

The Company has in place a short term rolling debt facility of £7 million. The facility runs until 31 October 2015 and a replacement facility is currently being considered. The Company was 10% geared at the end of April 2015.

Investment Outlook

Domestically, the decisive general election result has removed much of the political and economic uncertainty that a coalition government threatened to engender, although the future of the Union and the UK's position in Europe remain concerns. Low oil prices have provided a global stimulus, and Europe itself continues to rebound from its economic nadir of 2014, the threat of a Greek exit from the Euro notwithstanding, while expectations are that the US economy will continue to grow, though figures for the most recent quarter showed a weather-affected fall of 0.7%.

Emerging Markets remain a mixed bag, with opinion divided as to the robustness of the Chinese growth story.

Bond yields, having been a one-way bet to zero, especially in Europe, fell too far too fast in the first quarter of 2015 and duly corrected; the speed of the correction is symptomatic of a febrile market. We continue to believe that longer term bonds, as currently rated, look unattractive in the face of potential rate increases and rising inflation. On balance, equities with a defensive bias and 'alternatives' capable of generating real income and capital growth remain our assets of choice. The portfolio mix and weightings reflect this.

Board Changes

As signalled last year, Adam Cooke stepped down from the Board at the end of December 2014, having joined the Board in 2005, just ahead of the Company's metamorphosis from The Taverners Trust to Midas Income & Growth Trust. He has been a loyal servant of shareholders' interests and a source of sound views for the Board and Manager, and we wish him well.

Adam was replaced on the Board in January this year by Jimmy McCulloch. Jimmy is the Executive Chairman of Speirs & Jeffrey Ltd, a long established stockbroking and investment management company based in Glasgow. He brings very considerable experience of investment, the wealth management industry, marketing financial products and managing a business in the financial services sector. His extensive knowledge is already benefitting the Company.

The Board's Priorities

Your Company's investment strategy of growing income and capital from a low volatility, multi asset portfolio is a distinctive one in the Global Equity Income Sector and one which your Board considers has broad potential appeal. Your Board continues to be focussed on maintaining and building on the very solid investment performance record achieved since the changes to the Company's investment policy were approved by shareholders in January 2012, and on marketing the qualities of your Company more actively, with a view to building demand for your Company's shares. Your Manager has similar objectives. Much has been achieved in this regards and it remains your Board and Manager's intention, when appropriate, actively to pursue the enlargement of your Company.

The average discount at which the Company's shares traded during the year was at 4.9%, much tighter than last year's average discount of 8.3% but it was disappointing to see the discount widen out towards the end of the year, wider sector discounts notwithstanding. This was a feature of many investment trusts at the time and may partly have been due to the investor nervousness in the run up to the General Election. Since then discounts have come back and as at the date of this Statement your Company was standing on a 1.9% discount. Further efforts to generate investor demand for shares in the Company remain second only to investment performance as the focus of the Board's and Manager's attention.

Contingent on the success of these efforts, Board and Manager both remain committed to the adoption of a Discount Control Mechanism ("DCM") that would seek to regulate the share price at close to its net asset value. The objectives of enlarging the Company are to reduce the Ongoing Charges (by spreading the fixed costs over a larger base) and to improve the liquidity of the Company's shares.

Whilst these initiatives are being pursued your Board continues to see the principal control over the discount as being the annual continuation vote. Adoption of any DCM mechanism in advance of enlargement would, as I said last year, risk disadvantaging continuing shareholders by virtue of the potential material increase in Ongoing Charges should any significant shrinkage occur.

Annual General Meeting ("AGM")

The Board this year decided that the gap between the Company's 30 April year end and a late September AGM was unhelpfully long. This year's AGM will therefore be held at 12.30pm on Thursday 9 July 2015 at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB. I would be pleased if as many shareholders as possible were to take this opportunity to meet with Board members and the investment managers over a post AGM buffet lunch.

Resolution 6 at this year's AGM concerns the annual continuation vote by shareholders on the Company's future. The Board believes that it is in the best interests of the Company and its members as a whole, and strongly recommends that shareholders should vote in favour of resolution 6 as the Board intends to do in respect of its own beneficial shareholdings of 181,224 shares. Other clients of your Manager currently own 4,569,989 shares in the Company and they have indicated they will abstain from voting any such shares in relation to this resolution.

Richard Ramsay

Chairman
10 June 2015

* This measure describes the fluctuations of the NAV over time. Whilst volatility is specific to a fund's particular mix of investments, higher volatility is generally considered to equate to higher risk.

Manager's Review

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Overview

The economic and market backdrop through the year has been largely governed by sentiment and expectations surrounding the timing of exiting from Quantitative Easing ("QE") in the US and UK. Meanwhile, Europe finally agreed to pursue a similar large scale QE program of its own.

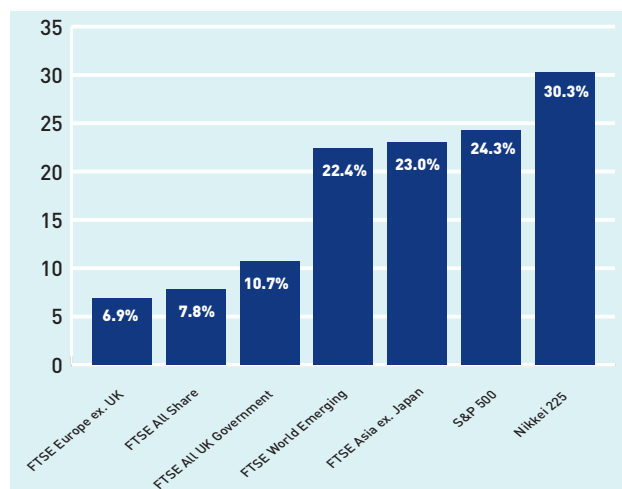
The biggest news in the second quarter was arguably Mark Carney's Mansion House speech which followed a string of more positive economic data in the UK. In the speech, the Governor of the Bank of England finally conceded that market interest rate expectations (of no rise before 2015) were potentially too dovish. This marked a juncture, where the world was moving into a period in which policy divergence was set to emerge and widen between central banks. This has the possibility of causing a degree of upset in currencies and markets.

As we moved through the year, progress continued in the UK and US economies, particularly on the employment front. Europe however appeared to have weakened, which along with other factors "external" to the UK and US economies, moved the balance of market expectations for interest rate rises to 2015. While risks are always present in the system, the amount of uncontrollable and unpredictable "event risk" such as Ebola and IS in the Middle East, made economic policy difficult to predict. In addition to this, there had been a spate of profit warnings. However, the causes appeared to be relatively company specific rather than an economic malaise. Nevertheless, with some signs of deflationary forces appearing, this pushed back monetary tightening expectations further.

The most significant development over the course of 2014 was the continued decline in the oil price. While investors feared it betrayed an underlying economic weakness and therefore a deficiency of demand; we viewed it as more a matter of over-supply and Saudi Arabia, in particular, wishing to squeeze out the marginal producers with higher costs of production. Either way, the repercussions have been acute and severe. Russia has struggled to cope with economic sanctions over Ukraine and declining oil revenues; meanwhile international oil companies have announced large cut-backs to their investment plans, with significant repercussions for oil service companies.

Moving into the first 4 months of 2015; the US and UK continued their recovery, however, the recent jobs data from the US gave some cause for concern. In a repeat of Q1 2014, there were some adverse weather effects that made extrapolation difficult. Debate surrounded whether the Fed will raise interest rates in June or delay to September. Meanwhile in Europe, the ECB finally commenced its own version of QE which has resulted in a further weakening of the currency. However, some observers have highlighted that the region had already started to show signs of recovery before QE was implemented. The currency movements of a weaker euro and a stronger dollar are likely to aid European companies, while US exporters are complaining that they are being hindered by dollar strength.

Major financial market total returns for the 12 month period ended 30 April 2015



Source: Bloomberg. Total returns are expressed in sterling.

Equity returns have been, in general, strong over the period, although the US market lead in 2014 gave way to more subdued performance in the early part of 2015. Meanwhile, the Emerging and Asian equity markets, which had been lagging the US, played catch up later in the period and finished the period on a strong note. The impact of currency movements cannot be ignored. For example, the S&P 500 achieved a total period return of 24% in sterling, but almost half of that gain was achieved through the relative strength of the US dollar. On the other hand the Japanese market outturn of 30% would have been even higher for sterling investors had the yen not depreciated against the pound by some 8% over the course of the year.

Gilts have managed to confound the sceptics, as their yields continued to fall to new lows. Over the 12 month period they returned almost 11%, however their volatility has begun to pick up and the asset class has been more challenging with short periods of negative returns following the peaks achieved in late January. The benchmark 10 year gilt ended the period at 1.83%, having started the year at an already unattractively low yield of 2.66%.

Performance

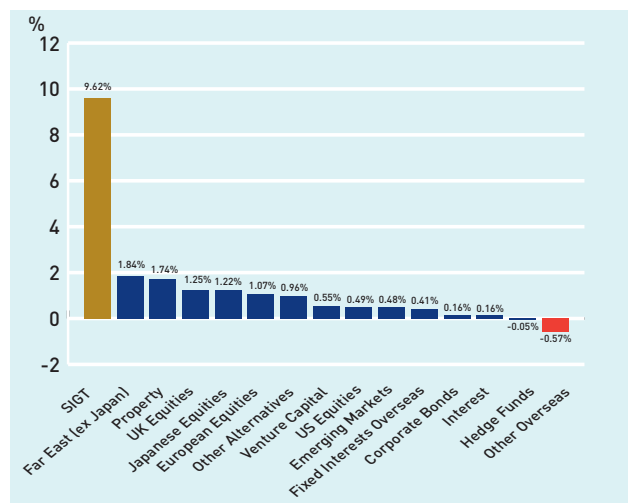
The strong returns achieved over recent years have been built upon over the past 12 months. However, the year was, in football parlance, a 'game of two halves'. In the period to December, returns were dominated by the US equity market (and dollar) strength, together with strong performance from G7 sovereign bonds; both areas in which we have struggled to find value. As we moved into 2015, the headwinds facing the US economy became more apparent and equity market leadership passed to the bourses in Asia, Europe and Emerging Markets, where the portfolio is well represented. This environment, complemented by a better showing from the direct UK equity holdings, was beneficial to performance. By the period end the portfolio produced a net asset value total return of 9.6%. The share price total return was marginally lower at 9.1%, as the discount at which the shares trade widened slightly (from 6.5% to 7.2%). This

outturn was ahead of the benchmark (3 month Libor +3%) return of 3.6%. The returns were achieved with a level of volatility which was around half that of the FTSE All Share Index (as measured by Financial Express Analytics).

Returns from within the portfolio were well spread, with contributions coming from across a wide range of the assets held. The largest contribution came from Japanese equities, where market strength was preserved by having over 60% of investments hedged against yen weakness. The contribution from European equity investments was similarly improved by our decision to increase exposure on a currency hedged basis (also 60%) at the time QE easing was announced. The emphasis within the portfolio on real assets was vindicated, as the property holdings also made a major contribution. The UK equity portfolio, which is largely held through direct holdings, had a mixed year, but still contributed positively. This was helped by an emphasis on mid cap stocks, which generally outperformed their larger brethren.

The only significant detractor from returns at the asset class level was in other overseas equities, which was purely due to the investment held in BlackRock World Mining Trust. This vehicle suffered not only from the difficult market environment in commodities, but also from injudicious investments made in smaller mining companies, which led to a de-rating of the company.

Attribution analysis by asset class for the 12 month period to 30 April 2015



Source: Seneca Investment Managers

The benefit to returns made from Japanese equity holdings is demonstrated in the table below, as two of the top six performance contributions came from this area. It is also interesting to note that the funds held in Japan demonstrate that smaller 'boutique' managers are capable of producing strong returns. We are keen to identify such managers as an integral part of our investment process. Another such fund also features in the top contributors table, namely the Prusik Asian Equity Income Fund. This fund was invested in early in its life and has demonstrated remarkably consistent and strong performance.

Attribution analysis by individual holdings in the 12 month period to 30 April 2015

Top 6 Contributors	Asset Class	Contribution
Lindsell Train Japanese Equity	Japanese Equities	0.71%
Barratt Developments	UK Equities	0.62%
Phoenix Group Holdings	UK Equities	0.58%
Assura	Property	0.48%
Prusik Asian Equity Income	Far East (ex Japan)	0.47%
Goodhart – Michinori Japan Equity	Japanese Equities	0.47%

Bottom 6 Contributors	Asset Class	Return
BlackRock World Mining	Other Overseas Equities	-0.57%
Balfour Beatty	UK Equities	-0.45%
Standard Chartered	UK Equities	-0.35%
Menzies (John)	UK Equities	-0.32%
Centrica	UK Equities	-0.31%
Tesco	UK Equities	-0.29%

Source: Seneca Investment Managers

The mixed performance within the UK equity portfolio is demonstrated by the healthy contributions made by Barratt Developments and Phoenix Group, which were counterbalanced by poor performance from several other direct holdings. Amongst those direct equity positions making negative contributions, only Centrica remained in the portfolio by the period end. It is pleasing to note that the majority of holdings made a positive return over the period.

The income generated by the portfolio has been robust during the year, despite one or two disappointments. The solid income performance has enabled a further improvement in your Company's dividends this year, whilst again adding to revenue reserves.

Asset Allocation

The changes to the investment objectives, approved by shareholders in January 2012, have provided more flexibility to improve capital returns and further diversify the Company's assets.

The portfolio is positioned with an emphasis on real assets including equities and property. In addition increased investment in alternative assets has been targeted at sectors offering the prospect for good levels of income, coupled with potential for both capital and income growth.

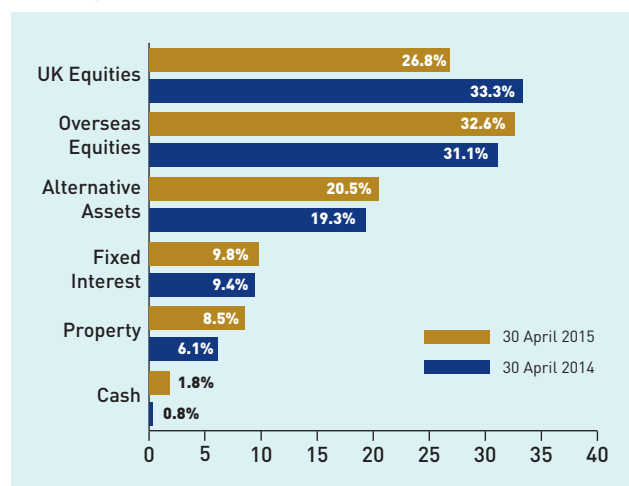
An underweight position in US equities was adopted, in anticipation of a change in market leadership away from the US, which we are now beginning to witness. Exposure to European equities was increased, as we believe they have the potential to re-rate higher, at the same time that there is scope for profits to recover from depressed levels.

The Company also remains structurally overweight in Asian equities. Not only do we believe that powerful secular trends should provide a healthy backdrop for investors, such as urbanisation and emerging consumerism, but Asian markets also remain relatively inefficient, enabling active managers to outperform the wider market.

QE continues to exert downward pressure on fixed income yields. The portfolio is commensurately underweight in that asset class and has a cautious stance towards a turn in the interest rate cycle. Selective opportunities have been taken, however, in senior loans, corporate high yield and asset backed lending. Emphasis has been very much on short duration assets, which should benefit from a higher interest rate environment. There are no investments in G7 sovereign bonds, where yields look extremely unattractive and where there is potential for significant capital loss – not risk free at these yields!

Alternative assets continue to play a pivotal role in providing unique sources of return for the Company. In a low interest rate environment, the advantage of multi-asset investing is exemplified by the use of alternative assets to contribute significantly towards income objectives. Favoured strategies include asset leasing, renewable energy and UK property.

Portfolio asset allocation – comparison between 30 April 2014 and 30 April 2015



Source: Seneca Investment Managers

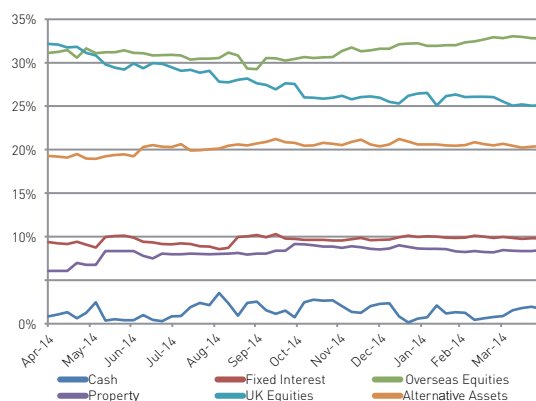
The main changes to asset allocation over the period were as follows:-

- **UK Equities** – a reduction in exposure, although this was largely due to a reclassification of UK REIT holdings into property, to give more clarity to investors on the underlying exposure to real estate within the portfolio.
- **Overseas Equities** – exposure was increased, mainly due to strong relative performance. Within overseas equities further capital was deployed in Europe at the expense of US and Asian equities, where some profits were taken.

- **Property** – as previously mentioned the property weighting was increased due to both the commitment of capital to this area, but also the re-categorisation of several UK REIT holdings from the UK equity portfolio.
- **Alternative Assets** – exposure was increased with the introduction of further leasing assets. This investment was, in part, funded by a reduction in private equity investments.

A more detailed review of portfolio activity is commented on later in this report.

Asset class allocation movements during the 12 month period to 30 April 2015



Source: Seneca Investment Managers. All figures are expressed as a percentage of gross assets

UK Equities (26.8%)

The UK stock market's strong rise over the past 12 months has also been accompanied with periods of volatility, particularly when sentiment was impacted by the anticipated change in the US Federal Reserve's policy towards quantitative easing. However, the overall trend has been towards rising prices and leadership from the mid-capitalisation and small company indices. This trend has been beneficial to returns, as the UK portfolio is well represented, particularly in the mid-cap area.

The weighting to UK equities has been reduced both through net sales, but also due to the reclassification of REIT holdings into the property sector. The emphasis within the UK holdings has been concentrated further on mid-sized companies, where our stock selection process has consistently identified better value. Large companies are, we believe over brokered, and over owned by UK investors and, as such, tend to offer less than compelling valuations.

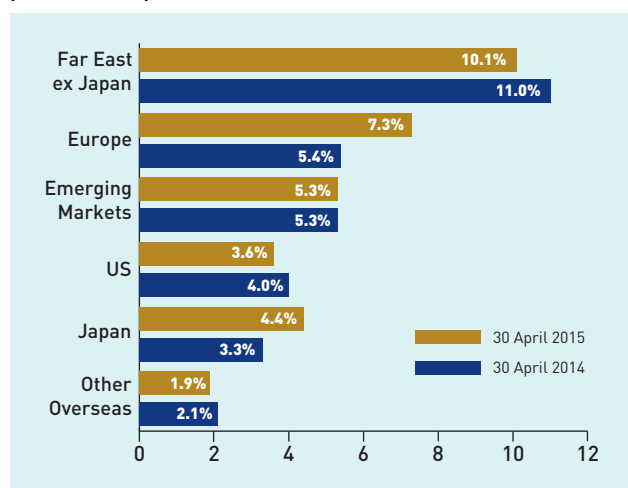
During the course of the year, positions at the top end of the market were reduced with Royal Dutch Shell, Tesco, HSBC and Standard Chartered all being exited. In addition, the investment in GlaxoSmithKline was significantly reduced. This reduction in larger companies was tempered by a new investment in the Fidelity Enhanced Equity Income Fund, which should provide an element of large cap exposure, but with a covered call overlay that will generate additional income.

Two new companies were introduced to the portfolio; Polypipe, the manufacturer of plastic pipes; and Dairy Crest, which owns the number one branded cheese (Cathedral City) in the UK. Both companies offer attractive valuations and exposure to the UK economy, in which we retain a fair degree of confidence.

Overseas Equities (32.6%)

Overseas fund selection remains biased towards managers who emphasise the identification of dividend growing companies within their investment process. We are also attracted to managers who have proven defensive in less buoyant market conditions and who can deliver returns with lower volatility than their benchmark indices.

Movement in Overseas equity allocations over the 12 month period to 30 April 2015



Source: Seneca Investment Managers. All figures are expressed as a percentage of gross assets.

Exposure to overseas equity markets was increased slightly with investment mainly directed into European equities on a currency hedged basis. We believe that European companies offer considerable value and are supported by the introduction of QE. However, as we had seen previously in Japan, the ECB move to introduce full blown QE is likely to devalue its currency. We therefore wanted to protect our investors from this potential drag on returns by investing in currency hedged share classes in two new open ended funds. To this end, we introduced Schroder European Alpha Income Fund and BlackRock European Equity Income Fund to the portfolio. Both these funds have given strong returns in the early part of 2015. In addition, some repositioning of existing investments into other currency hedged funds held, left overall hedging at just over 60% of total euro exposure. Capital for the investment in Europe was found from within the US equity and Asian Equity holdings.

In the United States, the BlackRock North American Income Trust was sold, following a period of disappointing performance. In addition the position in the Harewood US Enhanced Income Fund was liquidated, as it suffered a significant withdrawal on capital

from its largest investor, which made the fund uneconomic to run. These sales were, in part, committed to a new 'Smart Beta' Exchange Traded Fund ("ETF"), namely the IShare MSCI USA Dividend ETF. The fund aims at enhancing the performance of a range of the more consistent dividend paying companies within its benchmark index. With a yield of close to 3% this fund should deliver competitive performance and a higher running yield than actively managed funds, at a much lower management charge.

Asian market exposure was reduced by a sale in the Newton Asian Equity Income Fund, where we had become concerned that the growth in the size of the fund (to £5 billion), had led to a period of recent poor performance. However, we remain committed to the area and believe there are long term secular attractions, which warrant this region continuing to be the largest overseas equity exposure within the portfolio.

The introduction of the Goodhart Michinori Japan Equity Fund was a new investment in Japan. This fund is another example of our willingness to back 'boutique' firms and managers early on in their life. The Fund invests in mainly mid-sized Japanese companies, with the manager being focussed on companies with market leading positions and good corporate governance. This position was financed by the sale of the IShares MSCI Japan ETF, which had been bought as a stop gap to provide Japanese equity exposure until the launch of the Michinori fund.

There was no investment activity in the emerging markets area with the two global funds held giving satisfactory returns, which improved as the period progressed.

Alternative Assets (20.5%)

Private equity exposure has been reduced over the period, with the holding in NB Private Equity Partners being sold at a handsome profit. The position in this investment company was bought in December 2013 on a 24% discount to net asset value (nav). Over the following 7-8 months the company benefitted from a combination of strong nav growth, firming US dollar and narrowing of the nav discount. These factors led to a 90% profit on initial investment being achieved. Proceeds from this sale were, in part, committed to a new position in Aberdeen Private Equity Fund, which offers good potential for nav progression. This holding was bought at a similar discount to nav.

Further redemption proceeds were received from Partners Group Global Opportunities. This fund is valued at a 20% discount to nav, due to its limited liquidity. However, the company has now moved to the full liquidation of assets and the proceeds from realisations are distributed at net asset value, thus accruing improvement in your Company's portfolio value.

The unquoted investment in A J Bell Holdings (AJB), which is one of the UK's primary providers of self-invested personal pensions (SIPPS) and is now also one of the UK's largest investment platforms and provider of stockbroking services, has remained valued at 575p per share throughout the period. AJB released its full year results (to 30 September 2014) in December. These results demonstrated significant growth in both client numbers

(up 20%) and assets under administration (up 16%). However, profits fell by 33% due to lower interest margins on cash balances. Interest rate margin pressure is also likely to be a drag on current year profits. At 575p the holding is valued at a prospective Price Earnings Ratio (PER) of 18.9x, and a yield of 4.4%, based on management's current expectations. Further information on AJ Bell can be found on page 10.

A further commitment was made during the period to leasing, with the purchase of SQN Asset Finance Income Fund. This closed end fund was launched to invest in business critical equipment leases in both the private and public sector, predominantly in the UK. It offers the prospect, when fully invested, of a 7.25% yield and targeted total return of up to 10%. This investment compliments the longer term (and large ticket) A380 aircraft leasing vehicles already held.

The portfolio has retained exposure to renewable energy assets (5.5% of gross assets) throughout the period. We believe these assets provide an element of inflation protection within the portfolio, together with yields that are attractive when compared to bonds.

Fixed Interest (11.6% including cash)

Fixed interest positions remain defensively positioned in shorter duration assets. We continue to see little value in sovereign bond and investment grade bonds, but believe there to be attractions in other parts of the fixed interest spectrum. In particular, we have added to senior loans exposure, with the purchase of Fair Oaks Income Fund, which was set up to invest in diversified portfolios of loans, including Collateralised Loan Obligations. This investment was financed by a reduction in the Royal London Extra Yield Bond, together with the full sale of the TwentyFour Income Fund, which had performed well since acquisition, having also moved to a significant premium to nav. Fixed interest positions held are now largely invested in relatively short duration bonds and loans. This should mean that they are protected against any pick-up in inflation. Indeed they should be early beneficiaries of higher interest rates, as and when the interest rate cycle finally turns. These investments also act as a hedge against the loan facility held by your Company, which is linked to LIBOR.

Property (8.5%)

Property exposure has been increased although, as mentioned earlier in this report, the re-categorisation of several UK Real Estate Investment Trusts (REITs) is responsible for the lion's share of this increase. These holdings had previously been held within the UK equity component of the portfolio, but it was felt that the nature of these investments was such that they should be included within your Company's property holdings.

The property market in the UK has seen considerable improvement over the past two to three years, but we believe still offers attractions when compared to other asset classes. We have been selective in gaining exposure and have emphasised investment in niche areas such as warehousing, primary health care practices and property outside of the South East of England,

where values now look stretched. A new addition to the portfolio was Londonmetric Property, a highly respected and well managed REIT, which has been actively re-positioning its portfolio away from the South and into the provincial UK property markets - with emphasis on warehousing and large out of town retail. Another introduction to the portfolio came when the IPO of a new property vehicle, Ediston Property Limited, was supported. The managers of the vehicle have a good track record in very actively managing property assets to realise significant value. These new investments were partly financed by the sale (top slicing having started in the previous financial year) in Macau Property Opportunities Fund, due to our concerns over Chinese intervention in the Macau gaming industry.

Outlook

Market returns are likely to be heavily influenced by macro-economic developments and central bank monetary policy. It is clear that unconventional monetary policy has driven asset prices in many areas to more elevated levels, but this outcome should be considered against a backdrop of limited alternatives and positive macro-economic developments, including benign inflationary pressures.

The "elephant in the room" presently is the future direction of US monetary policy. An eventual tightening could trigger some market volatility, as assets prices re-adjust to the new reality. However, the US Federal Reserve will attempt to flag in advance any change in monetary stance.

Following a 30 year plus bond bull market, fixed income assets remain the most vulnerable, especially because of current low levels of liquidity. Geo-political risks will likely remain at the fore, including Greece's future membership of the Eurozone/EU and tension in the Middle East/Ukraine.

The next couple of years will see markets and investors sail into uncharted territory, where market volatility and asset price recalibration could arise, as an outcome of rising sovereign bond yields.

We believe that the Company will further benefit from the implementation of a multi-asset framework. This approach provides for potential to add value from tactical asset allocation, manager selection and from high conviction direct UK equity investments. The highly diversified nature of the portfolio should dampen volatility and provide capital growth over time, as well as delivering high and growing income from a wide range of sources.

Seneca Investment Managers Limited

10 June 2015

Ten Largest Holdings

	Valuation 2014 £'000	Purchases £'000	Sales £'000	Appreciation £'000	Valuation 2015 £'000
A J Bell ^A	2,386	–	–	–	2,386
iShares MSCI USA Dividend	–	1,658	–	56	1,714
Lindsell Train Japanese Equity ^B	1,341	–	(117)	445	1,669
Somerset Emerging Markets Dividend Growth ^B	1,350	–	–	180	1,530
Aberdeen Asian Income Investment Trust	1,139	404	(178)	56	1,421
Magna Emerging Markets ^B	1,294	–	–	88	1,382
National Express	1,221	93	–	51	1,365
GCP Student Living	954	475	(334)	212	1,307
Goodhart Partners Horizon Michinori Japan Equity ^B	–	993	–	305	1,298
Royal London Short Duration Global High Yield Bond ^B	1,537	–	(198)	(56)	1,283

^A Unquoted.

^B Open-ended.

At 30 April 2015 these investments totalled £15,354,638 or 23.3% of the portfolio.

A J Bell Holdings PLC – Unquoted Investment

A J Bell Holdings (A J Bell) is one of the leading providers of pension administration services in the United Kingdom. The company offers online, low cost Self Invested Personal Pension (SIPP) services, together with offering third party SIPP administration solutions.

In the company's financial year ended 30 September 2014, revenues decreased by 6.1% to £53.5 million, whilst pre-tax profits were £16.1 million, a fall of 32.6%. The company paid dividends of 25.00p, an increase of 1% over the previous year. Net assets attributable to the company were £49.4 million (2013: £46.7 million), whilst assets under administration increased by 16% to £23.7 billion.

The holding of 415,000 A J Bell shares (2014: 415,000 shares) represents 1.09% of the shares in issue. These shares have a book value of £433,112 (2014: £433,112) and were valued at £2,386,250 (2014: £2,386,250) based on the most recent Directors' valuation as at the year end.

After the period end 65,000 shares were sold at 600p to Woodford Patient Capital Trust, as part of a larger transaction. Given that this sale was made at a level above the year end value, and following review by your Board, the carried value of the remaining 350,000 shares was increased to 600p on 28 May 2015. The holding remains the largest portfolio position at 3% of gross assets at 31 May 2015.

Investment Portfolio

As at 30 April 2015

11

Company	Sector	Asset Class	Valuation £'000	Total Invest- ments %
A J Bell ^A	Special & Other Finance	Alternative Assets	2,386	3.62
iShares MSCI USA Dividend	Exchange Traded Fund	Overseas Equities	1,714	2.60
Lindsell Train Japanese Equity ^B	Unit Trusts & OEICS	Overseas Equities	1,669	2.53
Somerset Emerging Markets Dividend Growth ^B	Unit Trusts & OEICS	Overseas Equities	1,530	2.32
Aberdeen Asian Income Investment Trust	Investment Companies	Overseas Equities	1,421	2.15
Magna Emerging Markets ^B	Unit Trusts & OEICS	Overseas Equities	1,382	2.09
National Express	Travel & Leisure	UK Equities	1,365	2.07
GCP Student Living	Investment Companies	Property	1,307	1.98
Goodhart Partners Horizon Michinori Japan Equity ^B	Unit Trusts & OEICS	Overseas Equities	1,298	1.97
Royal London Short Duration Global High Yield Bond ^B	Unit Trusts & OEICS	Fixed Interest	1,283	1.94
Top ten investments			15,355	23.27
FP Argonaut European Enhanced Income Fund ^B	Unit Trusts & OEICS	Overseas Equities	1,279	1.94
BlackRock World Mining Trust	Investment Companies	Overseas Equities	1,262	1.91
TwentyFour Select	Investment Companies	Fixed Interest	1,246	1.89
Prusik Asian Equity Income ^B	Unit Trusts & OEICS	Overseas Equities	1,225	1.86
Schroder Asian Income Maximiser ^B	Unit Trusts & OEICS	Overseas Equities	1,204	1.82
Doric Nimrod Air Two	Investment Companies	Alternative Assets	1,195	1.81
Marston's	Travel & Leisure	UK Equities	1,187	1.80
Legal & General Group	Life Insurance	UK Equities	1,170	1.77
Princess Private Equity Holding	Investment Companies	Alternative Assets	1,168	1.77
LondonMetric	UK REIT	Property	1,155	1.75
Top twenty investments			27,446	41.59
Kier Group	Construction & Materials	UK Equities	1,135	1.72
Aberforth Smaller Companies Trust	Investment Companies	UK Equities	1,134	1.72
Fidelity Enhanced Income ^B	Unit Trusts & OEICS	UK Equities	1,132	1.72
Liontrust Asian Income ^B	Unit Trusts & OEICS	Overseas Equities	1,123	1.70
Aberdeen Asset Management	General Financial	UK Equities	1,116	1.69
Bluefield Solar Income	Investment Companies	Alternative Assets	1,098	1.66
Phoenix Group Holdings	Life Insurance	UK Equities	1,095	1.66
Blue Capital Global Reinsurance	Investment Companies	Alternative Assets	1,075	1.63
Schroder Oriental Income Investment Trust	Investment Companies	Overseas Equities	1,071	1.62
Assura	UK REIT	UK Equities	1,064	1.61
Top thirty investments			38,489	58.32

Company	Sector	Asset Class	Valuation £'000	Total Invest- ments %
Intermediate Capital Group	Financial Services	UK Equities	1,054	1.60
Tritax Big Box REIT	UK REIT	Property	1,053	1.60
CVC Credit Partners	Investment Companies	Fixed Interest	1,053	1.60
United Business Media	Media	UK Equities	1,044	1.58
Barratt Developments	Household Goods	UK Equities	1,038	1.57
Fair Oaks Income	Investment Companies	Fixed Interest	994	1.51
Royal London Sterling Extra Yield Bond ^B	Unit Trusts & OEICS	Fixed Interest	972	1.47
John Laing Environmental Assets Group	Investment Companies	Alternative Assets	970	1.47
Aberdeen Private Equity	Investment Companies	Alternative Assets	968	1.47
BHP Billiton	Mining	UK Equities	952	1.44
Top forty investments			48,587	73.63
Renewables Infrastructure Group	Investment Companies	Alternative Assets	947	1.44
Schroder European Alpha Income Hedged Fund ^B	Unit Trusts & OEICS	Overseas Equities	939	1.42
Amlin	Non Life Insurance	UK Equities	917	1.39
Polypipe Group	Construction & Materials	UK Equities	894	1.35
Ediston Property	UK REIT	Property	864	1.31
Centrica	Gas Water & Multiutilities	UK Equities	855	1.30
Foresight Solar	Investment Companies	Alternative Assets	828	1.25
M&G Global Floating Rate High Yield ^B	Unit Trusts & OEICS	Fixed Interest	803	1.22
Doric Nimrod Air Three	Investment Companies	Alternative Assets	790	1.20
BNY Mellon Newton Asian Income Institutional Fund ^B	Unit Trusts & OEICS	Overseas Equities	762	1.15
Top fifty investments			57,186	86.66
Vodafone Group	Mobile Telecommunications	UK Equities	749	1.14
BlackRock European Equity Hedged Fund ^B	Unit Trusts & OEICS	Overseas Equities	748	1.13
Cullen North American High Dividend Value Equity Fund ^B	Unit Trusts & OEICS	Overseas Equities	730	1.11
Partners Group Global Opportunities ^B	Unit Trusts & OEICS	Alternative Assets	723	1.10
European Assets Trust	Investment Companies	Overseas Equities	722	1.09
Dairy Crest	Consumer Goods	UK Equities	686	1.04
SQN Asset Finance	Investment Companies	Alternative Assets	683	1.03
Aberdeen Latin American Income	Investment Companies	Overseas Equities	613	0.93
Assured Fund ^B	Unit Trusts & OEICS	Alternative Assets	608	0.92
FP Argonaut European Income Fund ^B	Unit Trusts & OEICS	Overseas Equities	602	0.91
Top sixty investments			64,050	97.06
Henderson Euro Focus IT	Investment Companies	Overseas Equities	579	0.88
Other investments			1,359	2.06
Total investments			65,988	100.00

With the exception of those companies' shares marked with a specific share class above, all investments are in the ordinary shares of the investee company.

^A Unquoted.

^B Open-ended.

Classification of Investment Portfolio

As at 30 April	2015 %	2014 %
Overseas Equities	33.2	31.4
UK Equities	27.3	36.7
Alternative Assets	20.9	16.6
Fixed Interest	10.0	9.5
Property	8.6	4.9
Traded Life Policies	–	0.9
	100.00	100.00

Cash is excluded from the Investment Portfolio.

Analysis of Investment Portfolio

As at 30 April	2015		2014	
	Valuation £'000	Valuation assets %	Valuation £'000	Valuation assets %
Listed	41,117	62.3	44,361	69.7
Open-ended	22,213	33.7	16,593	26.1
Unquoted	2,658	4.0	2,667	4.2
AIM	–	–	3	–
	65,988	100.00	63,624	100.00

Strategic Review

Introduction

This review is a part of the Strategic Report being presented by the Company under the guidelines for UK-listed Companies' Annual Reports, and is designed to provide information primarily about the Company's business and results for the year ended 30 April 2015. It should be read in conjunction with the Chairman's Statement on pages 3 and 4 and the Manager's Review on pages 5 to 9, which give a detailed review of the investment activities for the year and look to the future.

Business Model and Strategy

The business model and strategy of the Company is described below.

Investment Policy

The asset classes included in the Company's portfolio are UK and overseas equities, fixed interest securities, property, alternative assets and structured products. The asset allocations vary around a core long-term position for each asset class with a view to adding value through tactical asset allocation within a range for each asset class. The core asset allocations and asset allocation ranges, which are calculated at the time of any relevant investment based on the Company's gross assets, are as follows:

	Core Asset Allocation %	Asset Allocation Range
UK equities	35	15 - 60
Overseas equities	25	10 - 40
Total equities	60	25 - 85
Fixed interest	15	0 - 40
Alternative assets	15	0 - 25
Property	10	0 - 25

Ordinarily, exposure to overseas companies is achieved through the use of specialist collective investment schemes and products.

The Company will not invest more than 7.5% of gross assets in unquoted securities and will not hold more than 25% of its gross assets in cash.

The Company may borrow to gear the Company's returns when the Board believes it is in shareholders' interests to do so. The Company's existing borrowing policy allows gearing up to 25% of the Company's net assets. The Company's current credit facilities comprise a £7.0 million bank facility which was drawn down as at 30 April 2015 (equivalent to 11.6% of its net assets). Further details of the bank facility are in note 11 to the financial statements. The Board believes these levels are appropriate for the Company at the present time.

Investment Approach

The Company seeks to achieve its investment objective referred to on page 1 through a policy of investing in a diversified portfolio principally comprising UK equities and fixed interest securities, but also other asset classes. By investing in overseas equities as well as diversifying into property, alternative assets (such as private equity, commodity funds and funds of hedge funds) and structured products, the Company aims to take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

The Investment Manager endeavours to construct a balanced portfolio of assets with both market and non-market correlation with an emphasis on reducing volatility and risk. This is done by using a predominantly "top down" approach to portfolio construction. The Investment Manager assesses the risk/return characteristics of the main asset classes represented within the Company's portfolio, taking into account current valuations, expected returns and the major long-term themes driving investment markets. The Investment Manager varies the asset allocation of the portfolio around the core long-term positions for each asset class with a view to adding value through tactical asset allocation.

Individual investments are selected as the Investment Manager's best ideas through which to implement top down thematic decisions. Each investment, regardless of asset class, is expected to make a clear contribution to the achievement of one or more of the portfolio's aims, whether absolute return, income, capital growth, capital preservation or reduced volatility.

The equity element of the Company's portfolio is principally focused on companies in the FTSE 350 Index with strong balance sheet, cash flow and dividend growth characteristics. In addition, a significant proportion of the equity portfolio is also invested in overseas markets. This exposure is used to broaden the diversification of the Company's portfolio and to reduce dependence on UK equities in addressing the growth and income elements of the portfolio's objectives. Ordinarily, exposure to overseas companies is achieved through the use of specialist collective investment schemes and products.

The equity portfolio is complemented by a spread of investments in fixed interest securities, alternative investments, property and structured products. These are included as non-equity correlated assets and serve to diversify further the Company's portfolio and correspondingly reduce volatility. The alternative assets and structured products, in particular, aim to add an element of absolute return to the portfolio while the property and fixed interest elements aim to provide a degree of income security and further capital preservation.

The Investment Manager gains exposure to certain sectors by investing a proportion of the Company's portfolio in other investment funds where specialised management skills are necessary or where it would be uneconomic for the Company to invest directly.

The majority of the Company's investments are in listed/quoted securities. However, with the prior consent of the Board, the Investment Manager may invest in unquoted securities where it believes there exists a specific investment opportunity. Unquoted investments will not represent more than 7.5% of the portfolio by value, measured at the time of investment. Additionally, a number of investments may be made in unlisted collective investment schemes, such as unit trusts, in order to gain exposure to specialist sectors. Currently there are two unquoted holdings in the portfolio, representing 3.9% of total assets.

Generally, the Investment Manager seeks to invest no more than 5% of the Company's total assets in any one security and to hold no more than 10% of the equity of any one company (although it may deviate from such guidelines from time to time).

The Investment Manager expects that the Company's assets will normally be fully invested. However, during periods in which changes in economic conditions or other factors so warrant, the Investment Manager may, with the Board's consent, reduce the Company's exposure to one or more asset classes and increase its position in cash and money market instruments.

The Company does not directly invest in, or use, derivative strategies (for efficient portfolio management or otherwise); however, certain of the Company's investments may themselves incorporate derivatives. In the event of adverse market movements this may result in the Company being exposed to the full value of such negative movements. The Investment Manager seeks to minimise this risk, and to achieve the Company's investment objective of targeting absolute returns, by investing in a diversified range of assets, including assets with a low correlation to equity markets.

The Company does not currently intend to enter into any direct currency hedging arrangements. Most of the overseas holdings within the portfolio are sterling denominated. In some instances, local currency returns may be hedged into sterling within the individual holding. The Investment Manager regards this range of currency exposure as part of the diversification of risk within the portfolio.

Principal Risks and Uncertainties and Risk Mitigation

Risks are inherent in the investment process, but it is important that their nature and magnitude are understood so that risks, particularly those which the Company does not wish to take, can be identified and either avoided or controlled. The Board has established a detailed framework of the key risks that the business is exposed to, with associated policies and processes devised to mitigate or manage those risks. The principal risks faced by the Company are set out below.

Investment and Strategy Risk The Board is responsible for deciding the investment strategy to fulfil the Company's objectives and monitoring the performance of the Investment Manager. Inappropriate strategy, including country and sector allocation, stock selection and the use of gearing, could lead to poor returns

for shareholders. To manage this risk the Board requires the Investment Manager to provide an explanation of significant stock selection decisions and the rationale for the composition of the investment portfolio at each Board meeting, when gearing levels are also reviewed. The Board monitors the spread of investments to ensure that it is adequate to minimise the risk associated with particular countries or factors specific to particular sectors. The Investment Manager also provides the Board and shareholders with monthly factsheets which include an investment commentary.

Market Risk The Company's assets consist principally of listed equities and fixed interest securities and its greatest risks are in consequence market-related. In addition to ordinary movements in the prices of the Company's investments and the loss that the Company might suffer through holding investments in the face of negative market movements, the Company's use of gearing necessarily amplifies this risk. The Board seeks to mitigate this risk through the processes described in the paragraph above, monitoring the implementation and results of the investment process with the Investment Manager.

Financial Risk The Company's investment activities expose it to a variety of financial risks that include market price risk, foreign currency risk, interest rate risk and liquidity and credit risk. Further details of these risks and the ways in which they are managed are disclosed in note 18 of the financial statements.

Earnings and Dividend Risk The earnings that underpin the amount of dividends declared and future dividend growth are generated by the Company's underlying portfolio. Fluctuations in earnings resulting from changes to the underlying portfolio or changes in the tax treatment of the dividends or interest received by the Company could reduce the level of dividends received by shareholders. The Board monitors and manages this risk by considering detailed income forecasts prepared by the Investment Manager and Company Secretary at each Board meeting and when the quarterly dividends are declared.

Operational Risk The Company relies upon the services provided by third parties and is reliant on the control systems of the Investment Manager and the Company's other service providers. The security and/or maintenance of, inter alia, the Company's assets, dealing and settlement procedures, and accounting records depend on the effective operation of these systems. These are regularly tested and monitored and are reported on at each Board meeting. An internal control report, which includes an assessment of risks, together with the procedures to mitigate such risks, is prepared by the Investment Manager and the Company Secretary and reviewed by the Audit Committee at least once a year. The Custodian, State Street Bank and Trust Company, produces an internal control report each year which is reviewed by its auditors and gives assurance regarding the effective operation of controls. A summary of this report is reviewed by the Audit Committee.

Regulatory Risk The breach of regulatory rules could lead to a suspension of the Company's stock exchange listing or financial penalties. Breach of Sections 1158 to 1159 of the Corporation Tax Act 2010 could lead to the Company being subject to tax on

chargeable gains. The Company Secretary monitors the Company's compliance with the Listing Rules of the UK Listing Authority and Sections 1158 to 1159 of the Corporation Tax Act 2010. Compliance with the principal rules is reviewed by the Directors at each Board meeting.

Key Man Risk The Company is substantially dependent on the services of key individuals working for its Investment Manager, namely Alan Borrows and Simon Callow. The loss of either or both of these individuals could have an adverse effect on the Company's performance.

Going Concern

The Company's Articles of Association require a continuation vote to be proposed at each Annual General Meeting of the Company. In the event that any such resolution is not passed, then the Directors will be required to bring forward proposals to liquidate, open-end or otherwise reconstruct the Company. The Directors have considered the application of the 2009 Statement of Recommended Practice for Financial Statements of Investment Trust Companies and Venture Capital Trusts, which states that, even if an investment company is approaching a wind-up or continuation vote and shareholders have yet to vote on the issue and provided that the board has not concluded that there is no realistic alternative to winding up the company, it will usually be more appropriate for the financial statements to be prepared on a going (rather than non-going) concern basis.

In assessing the Company's ability to continue as a going concern the Directors have also considered the Company's investment objective (see page 1), risk management policies (see pages 15 and 16), capital management (see note 19) to the financial statements, the nature of its portfolio and expenditure projections and believe that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. In addition, the Board has had regard to the Company's investment performance (see graph opposite), the narrowing of the discount at which the Company's shares trade relative to their NAV since the change in the Company's investment policy in January 2012 (see graph opposite), ongoing investor interest in the continuation of the Company (including feedback from meetings and conversations with shareholders by the Company's advisers) and the policy regarding discount management described in the Chairman's Statement (which is intended to further enhance the Company's appeal to investors).

Based on their assessment and considerations, the Directors have concluded that they should continue to prepare the financial statements on a going concern basis and the financial statements have been prepared accordingly.

Resolution 6 at this year's AGM represents the annual continuation vote by shareholders on the Company's future. The Board believes this resolution to be in the best interests of the Company and its members as a whole, and strongly recommends that shareholders should vote in favour of Resolution 6 as it intends to do in respect of its own beneficial shareholdings.

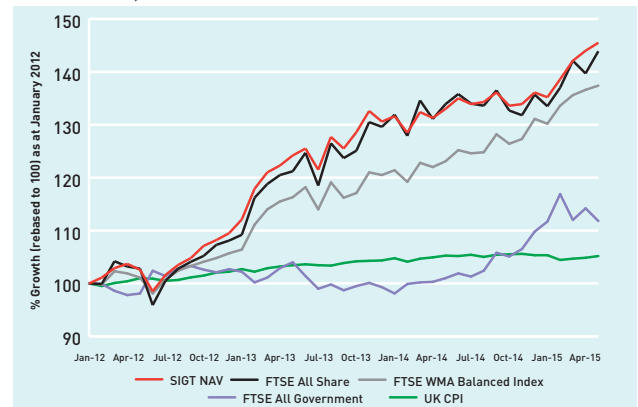
Performance Measurement and Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its objectives. More information on Key Performance Indicators is noted in the Chairman's Statement on pages 3 and 4. The key performance indicators are as follows:

- **Performance measured against the benchmark, relevant indices and peers**

The Board reviews and compares, at each meeting, the performance of the portfolio as well as the net asset value and share price for the Company and its benchmark, relevant indices and peers.

Cumulative Growth Since Change In Investment Policy, NAV Total Return, GBP

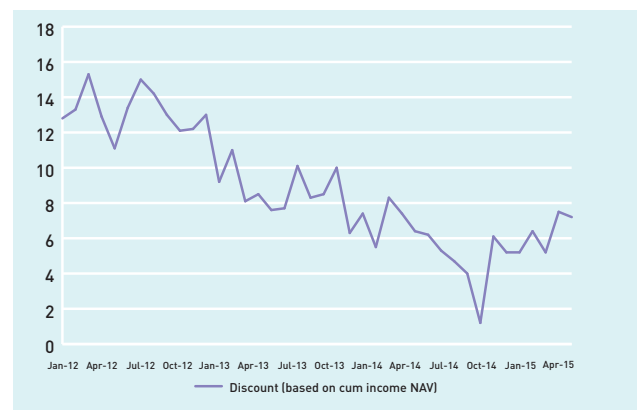


Sources: R&H Fund Services Limited and Bloomberg

- **Discount/premium to net asset value ('NAV')**

At each Board meeting, the Board monitors the level of the Company's discount/premium to NAV. The Company publishes a NAV per share figure on a daily basis, through the official newswire of the London Stock Exchange.

Company Discount Level



Sources: R&H Fund Services Limited and Bloomberg

- **Revenue earnings and dividends per share**

The Board reviews a revenue forecast on a quarterly basis to determine the quarterly dividend.

- **Ongoing charges**

The ongoing charges are a measure of the total expenses incurred by the Company expressed as a percentage of the average shareholders' funds over the year. The Board regularly reviews the ongoing charges and monitors all Company expenses.

Social, Community, Employee Responsibilities and Environmental Policy

The Directors recognise that their first duty is to act in the best financial interests of the Company's shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objectives of the Company.

In asking the Company's Manager to deliver against these objectives, they have also requested that the Manager take into account the broader social, ethical and environmental issues of companies within the Company's portfolio, acknowledging that companies failing to manage these issues adequately run a long term risk to the sustainability of their businesses.

More specifically, they expect companies to demonstrate ethical conduct, effective management of their stakeholder relationships, responsible management and mitigation of social and environmental impacts, as well as due regard for wider societal issues.

As an investment trust with its current structure the Company has no direct social, community, employee or environmental responsibilities of its own.

The Company has no greenhouse gas emissions to report from its operations for the year ended 30 April 2015, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 (including those within the underlying investment portfolio).

At 30 April 2015 there were three male Directors. The Company has no employees so does not require to report further on gender diversity.

By order of the Board
R&H Fund Services Limited
 Secretaries
 10 June 2015

Your Board

The Directors, all of whom are non-executive and independent of the Investment Manager, supervise the management of Seneca Global Income & Growth Trust PLC and represent the interests of shareholders.

Richard Alexander McGregor Ramsay

Independent Non-Executive Chairman

Age: 65

Length of service: 2 year 3 months.

Appointed a Director on 2 April 2013 and Chairman on 3 September 2013

Experience: Formerly an investment banker with considerable experience of the investment trust sector gained as a Managing Director at Barclays de Zoete Wedd and a director at Intelli Corporate Finance. His experience also covers the fund management sector as a director with Ivory & Sime, the leisure sector as finance director at Aberdeen Football Club, the energy sector as a managing director at Ofgem and the public sector as a director at the Shareholder Executive. He is currently chairman of Northcourt and URICA and Castle Trust, all recent start-ups in the financial services sector; and chairman of Wolsey Group, a provider of finance to house builders. Mr Ramsay is also a director of John Laing Environmental Assets Group Limited

Last re-elected to the Board:

3 September 2013

Committee membership:

Audit Committee
Management Engagement Committee
Nomination Committee

Remuneration: £24,500 per annum

All other public company directorships:

John Laing Environmental Assets Group Limited

Shared Directorships with any other

Trust Directors: None

Shareholding in Company:

73,667 Ordinary Shares

Ian Richard Davis

Independent Non-Executive Director and Chairman of the Audit Committee

Age: 55

Length of service: 10 years 8 months.

Appointed a Director on 1 November 2004 and Chairman of the Audit Committee on 15 December 2004

Experience: formerly a director of Corporate Finance with Hoare Govett Limited until 2002 having previously worked in Equity Capital Markets at De Zoete Bevan Limited and corporate finance at Baring Brothers & Co. Limited. Prior to this he qualified as a chartered accountant with Price Waterhouse. Mr Davis is also a non-executive director of the Robert Jones and St Agnes Orthopaedic Hospital NHS Foundation Trust

Last re-elected to the Board:

30 September 2014

Committee membership:

Audit Committee
Management Engagement Committee
Nomination Committee

Remuneration: £22,000 per annum

All other public company directorships:

None

Shared Directorships with any other

Trust Directors: None

Shareholding in Company:

92,557 Ordinary shares

James Russell McCulloch

Independent Non-Executive Director

Age: 60

Length of service: 0 years 5 months.

Appointed a Director on 2 January 2015

Experience: Currently Executive Chairman of Speirs & Jeffrey Ltd with over 30 years' experience in private client investment and portfolio management. He is a chartered FCSI having previously qualified as a Chartered Accountant with Coopers & Lybrand. Mr McCulloch is a non-executive director of the Wealth Management Association and a Trustee of Foundation Scotland.

Last re-elected to the Board:

N/A

Committee membership:

Audit Committee
Management Engagement Committee
Nomination Committee

Remuneration: £20,000 per annum

All other public company directorships:

None

Shared Directorships with any other

Trust Directors: None

Shareholding in Company:

15,000 Ordinary shares

Investment Manager

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The Company is managed by Seneca Investment Managers Limited ('SIML').

SIML is an investment management firm based in Liverpool. Its predecessor was formed in April 2002, initially offering two multi asset OEIC products, and soon after, becoming the investment manager of the Seneca Global Income & Growth Trust plc. As at 31 May 2015, SIML assets under management were some £421 million, comprising the Company, the two original OEICs, and a number of segregated clients.

In March 2014, SIML (then known as Miton Capital Partners Limited) was acquired by Seneca Asset Managers Limited which was formed for the purpose and in turn is owned by members of the Seneca Partners group of companies, a number of successful entrepreneurs, many of whom are locally based, and employees of SIML, including all of the investment managers.

The Seneca Partners group is independent and serves the funding, investment and advisory needs of corporates and High Net Worth individuals. Since the group was formed in 2010 it has sought to take advantage of opportunities across the financial services sector and has a number of operating divisions covering investment services, corporate finance advisory services, venture capital investment and property investment.

In addition to SIML's office in Liverpool, the Seneca group has offices in Haydock, Manchester, Bolton, Leeds and Birmingham. The team is committed to "mobilising hard earned capital" to deliver returns and to enabling entrepreneurs to take advantage of the Seneca network.

The members of SIML's investment management team with prime responsibility for the Company are:

Alan Borrows – Senior Fund Manager

Alan jointly founded SIML's predecessor (Midas Global Capital Partners Limited) in 2002 and has been involved with managing the Company's assets since it became a client soon after. Alan began his investment career as an Investment Assistant at Merseyside County Council in 1980, rising to the position of Senior Investment Manager in 1987. In addition to managing traditional assets, Alan led the introduction of a wide range of alternative asset classes into The Merseyside Pension Fund. He was responsible for the team's first hedge fund investments in the early 1990s, for the introduction of innovative products, and was involved in the development of the private equity programme at Merseyside Pension Fund. Alan has also been Lead Fund Manager on the CF Seneca Diversified Income Fund since launch in 2002.

Simon Callow – Senior Fund Manager

Simon joined SIML's predecessor in 2005 and has been involved with managing the Company's assets since 2008. Simon is an experienced asset allocator and specialist UK stock picker/fund selector. He has 19 years investment management experience, including 8 years as an Associate Director at BWD Rensburg, specialising in private client broking and discretionary fund management. Simon graduated with a M.A. (Hons) from Edinburgh University and is a Chartered Fellow of the Institute for Securities & Investments, as a Chartered Wealth Manager. He is also Lead Fund Manager of the CF Seneca Diversified Growth Fund.

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 30 April 2015.

Results and Dividends

Details of the Company's results and dividends paid are shown on page 2 of this Report.

Principal Activity

The business of the Company is that of an investment trust investing in a diversified portfolio principally comprising UK and overseas equities and fixed interest securities but also other asset classes. By investing in overseas equities as well as diversifying into property, bonds, alternative assets and structured products, the Company seeks to take advantage of a wide range of investment opportunities and reduce the risk profile of the Company's portfolio.

Status

The Company is registered as a public limited company, and is an investment company as defined by Section 833 of the Companies Act 2006 and is registered in England and Wales with registered number 03173591. The Company is also a member of the Association of Investment Companies ("AIC").

The Company carries on business as an investment trust and has been approved as such by HM Revenue and Customs.

The Company intends to manage its affairs so as to be a qualifying investment for inclusion in an Individual Savings Account ("ISA") and it is the Directors' intention that the Company should continue to qualify.

Share Capital

As at 30 April 2015 there were 39,896,361 Ordinary shares in issue.

Companies Act 2006, section 992

The following further information is disclosed in accordance with the above:

- the Company's capital structure is summarised on page 20;
- details of the substantial shareholders in the Company are listed on page 21;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and are summarised on page 23;
- amendment of the Company's Articles of Association and powers to issue non-pre-emptively or buy back the Company's shares require a special resolution to be passed by shareholders;
- there are: no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a takeover bid; and
- there are no agreements between the Company and its Directors concerning compensation for loss of office.

Directors

Details of the current Directors of the Company are shown on page 18.

In accordance with the Articles of Association, Directors must offer themselves for re-election at least once every three years.

Mr J R McCulloch will stand for election at the Annual General Meeting ("AGM") following his appointment in accordance with the Company's Articles of Association.

Having served on the board for more than nine years, Mr I R Davis submits himself for annual re-election in accordance with the principals of the UK Corporate Governance Code.

Mr Davis holds part of his holding through the Aberdeen Investment Trust Share Plan and has elected to reinvest the dividends on the shares held within the plan. Mr Alan Borrows and Mr Simon Callow of the Company's Investment Manager are beneficially interested in 250,000 and 4,500 Ordinary shares respectively.

No Director has a service contract with the Company. No Directors were interested in any contracts with the Company.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

Substantial Interests

At 10 June 2015 the only persons known to the Company who, directly or indirectly, were interested in 3.0 per cent. or more of the Company's issued share capital were as follows:

Shareholder	Number of shares held	% held
Seneca Investment Managers	4,569,989	11.5
Brewin Dolphin, stockbrokers	4,486,277	11.3
Hedley, stockbrokers	2,507,340	6.3
Charles Stanley, stockbrokers	2,411,932	6.1
Redmayne Bentley, stockbrokers	2,132,862	5.4
Midas Investment Management	2,040,016	5.1
Jupiter Asset Management	1,850,000	4.6
Hargreaves Lansdown, stockbrokers	1,532,840	3.8
Philip J Milton, stockbrokers	1,460,224	3.7
HIM Capital	1,243,618	3.1
CG Asset Management	1,214,500	3.0

Annual General Meeting

The Notice of Annual General Meeting is contained on pages 49 and 50.

Directors' Remuneration Policy and Report

The Directors' Remuneration Policy and Report are detailed on pages 27 to 28.

Alternative Investment Fund Managers' Directive

The Company's application to be a small Registered UK AIFM has been approved by the FCA, and the Company was entered in the register of small registered UK AIFMs with effect from 1 July 2014, under the Alternative Investment Fund Managers Regulations 2013.

Directors' Authority to Allot Relevant Securities

Among the resolutions being put to the Annual General Meeting as Special Business, Resolution 7, which is an ordinary resolution, will, if passed, renew the Directors' existing general power to allot relevant securities but will also provide a further authority (subject to certain limits) to allot shares pursuant to fully pre-emptive rights issues. Resolution 7 authorises the Directors to generally allot shares up to an aggregate nominal amount of £6,649,394 representing approximately two-thirds of the existing issued capital of the Company, of which a maximum nominal amount of £3,324,697 (approximately one-third of the existing

issued share capital) may only be applied to fully pre-emptive rights issues.

The authority granted by Resolution 7 will expire at the conclusion of the Annual General Meeting in 2016.

The Directors do not have any present intention of allotting further shares.

The Company does not currently hold any shares in treasury.

Resolution 8, which is a special resolution, will, if passed, renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders. The disapplication of pre-emption rights relates to shares that the Company issues pursuant to the authority conferred by Resolution 7 or transfers from treasury (if any). This resolution limits the authority conferred by Resolution 7 to issues of Ordinary shares (or sales of treasury shares) to a maximum aggregate nominal amount of £997,409 representing approximately 10 per cent. of the Company's existing issued share capital, and to issues of Ordinary shares pursuant to a rights issue at a price less than the net asset value per share.

The authority granted by Resolution 8 will expire at the conclusion of the Annual General Meeting in 2016.

The Directors do not have any present intention of exercising this authority.

Purchase of the Company's Shares

Resolution 9 which is a Special Resolution will be proposed to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share shall be not less than 25p per share (being the nominal value). Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. Under the Companies Act 2006, a listed company is able to hold shares in treasury rather than cancel them. Any shares purchased under the authority granted by Resolution 9 will either be cancelled and the number of Ordinary shares reduced accordingly or held in treasury. It is possible that the issued share capital of the Company will change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual

General Meeting rather than the date of this document. The authority being sought shall expire at the conclusion of the Annual General Meeting in 2016 unless such authority is renewed prior to such time. These powers will give Directors additional flexibility going forward and the Board considers that it will be in the interest of the Company that such powers be available. In particular, the Directors will not use this authority to purchase the Company's shares unless to do so would result in an increase in net asset value per share.

If Resolution 9 is passed then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which this authority relates.

Notice of Meeting

Resolution 10, which is a Special Resolution, will be proposed to authorise the Directors to call general meetings of the Company (other than Annual General Meetings), on 14 clear days' notice as permitted by the Companies Act 2006 and as amended by the Companies (Shareholders' Rights) Regulations 2009. The Company will also need to meet the Companies Act 2006 requirements for electronic voting before it may call a general meeting on 14 clear days' notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as is practicable and will only utilise the authority granted by Resolution 10 in limited and time sensitive circumstances.

Recommendation

Your Board in its opinion considers the passing of the Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of the Resolutions as it intends to do in respect of its own beneficial shareholding of 181,224 ordinary shares.

Discount Management

Following the approval of the revised investment mandate and the introduction of an annual continuation vote in January 2012, the Board sees the principal discount control mechanism as being the annual continuation vote, with the continuing power to buy back shares a tool to be used in particular circumstances as opposed to being used at a specific discount level.

Statement Regarding Annual Report and Accounts

Following a detailed review of the Annual Report and Accounts by the Audit Committee, the Directors consider that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In reaching this conclusion, the Directors have assumed that the reader of the Annual Report and Accounts would have a reasonable level of knowledge of the investment industry in general and investment trusts in particular.

Disclosure of Information to the Auditor

The Directors confirm that, so far as each of them are aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they might have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditors

Ernst & Young LLP have indicated their willingness to continue in office. The Directors will place a Resolution before the Annual General Meeting for the reappointment of Ernst & Young LLP as independent auditors of the Company for the ensuing year, and to authorise the Directors to determine their remuneration.

15-19 York Place
Edinburgh
EH1 3EB

By order of the Board
R & H Fund Services Limited
Secretaries
10 June 2015

Statement of Corporate Governance

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Introduction

The UK Listing Authority requires all listed companies to describe how they have complied with the principles of the UK Corporate Governance Code published in September 2012 (the "Governance Code"), which is available on the Financial Reporting Council's website: www.frc.org.uk. The Governance Code covers in particular the annual re-appointment of Directors, Board diversity, external evaluation, the Board's responsibilities in relation to risk, and a clear explanation of business model and strategy.

The Association of Investment Companies has also published a Code of Corporate Governance ("AIC Code") and a Corporate Governance Guide for Investment Companies ("AIC Guide") which are available on the AIC's website: www.theaic.co.uk. The AIC Code, as explained by the AIC Guide, addresses all of the principles set out in Section 1 of the Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies.

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

Application of the Principles of the Codes

The Company has complied with the provisions of the AIC Code and the Governance Code, except for the Governance Code provisions relating to:

- The role of the chief executive (A 1.2)
- Executive directors' remuneration (B 2.1)
- The need for an internal audit function (C 3.5)

As indicated by the AIC Code the above exceptions are not believed to be applicable to an externally managed investment company.

The Board

The Board currently consists of a non-executive Chairman and two non-executive Directors. All Directors are considered by the Board to be independent of the Investment Manager and free of any material relationship with the Investment Manager. Each Director has the requisite level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company. The Board considers that the post of chief executive officer is not relevant for an investment company as this role has effectively been delegated to the Manager, under the terms of the Investment Management Agreement. Mr R A M Ramsay has been identified as the Senior Independent non-executive Director, to whom any concerns can be conveyed by the other Directors. Given the size and composition of the Board it is not felt necessary to separate the roles of Chairman and Senior Independent Director. Mr R A M Ramsay has served on the Board as a Director with effect from 2 April 2013 and as Chairman from 3 September 2013.

The Board takes the view that independence is not compromised by length of tenure and that experience and continuity can add significantly to the Board's strength.

During the year ended 30 April 2015 the Board met 5 times. In addition, there were 2 Audit Committee meetings, 1 Management Engagement Committee meeting, 2 Nomination Committee meetings and 6 other ad hoc Committee meetings (to approve dividends and the Half Yearly and Annual Reports). Between meetings the Board maintains regular contact with the Investment Manager.

Directors have attended Board and Committee meetings during the year ended 30 April 2015 as follows (with their eligibility to attend the relevant meeting in brackets):

	Board meetings	Audit, Management Engagement and Nomination Committee meetings	Other committee meetings
R A M Ramsay (Chairman)	5 (5)	5 (5)	6 (6)
A D Cooke	4 (4)	5 (5)	5 (5)
I R Davis	5 (5)	5 (5)	6 (6)
J R McCulloch	1 (1)	-	1 (1)

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the senior staff of the Investment Manager. Such matters include strategy, borrowings, treasury and dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

The Board has put in place necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board as well as a performance evaluation of the Board as a whole, the individual Directors and the Board Committees. The process involves consideration of completed questionnaires tailored to suit the nature of the Company and discussion of the points arising amongst the Directors.

The Board has reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company. The Directors have reviewed the proposed re-election of Mr I R Davis and the election of Mr J R McCulloch and are of the opinion that both Directors bring a significant range of business, financial and management skills and experience to the Company and the Board supports their re-election. The annual evaluation of the Board and the Directors has been completed and the Directors have concluded that the Board continues to function effectively.

and individually, the Directors remain independent and there are no relationships or circumstances which are likely to affect the judgement of the Directors.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, R & H Fund Services Limited, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Management Engagement Committee

A separate Management Engagement Committee, which is chaired by Mr R A M Ramsay and comprises the full Board, has been established. The Management Engagement Committee annually reviews matters concerning the management contract which exists between the Company and the Investment Manager. Details of the Management Agreement are shown in note 3 to the financial statements.

Nomination Committee

Appointments to the Board of Directors are considered by the Nominations Committee which is chaired by Mr R A M Ramsay and comprises the full Board. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. The Terms of Reference of the Nomination Committee are available on the Company's website and further copies are available on request. External search consultants may be used to assist in the appointment of new Directors should it be considered expedient. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. The Articles of Association require that one third of the Directors retire by rotation at each Annual General Meeting.

Stewardship Code

The Financial Reporting Council ("FRC") published "The UK Stewardship Code" for institutional shareholders on 2 July 2010. The purpose of the Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities.

The FRC is encouraging institutional investors to make a statement of their commitment to the Code.

The Board has delegated responsibility for actively monitoring the activities of investee companies to the Manager. The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee company, and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered

to use discretion in the exercise of the Company's voting rights. The Manager's policy is to assess each voting opportunity individually and to vote only in cases where it is believed that the Company's best interests need to be protected. The Board has reviewed, and endorses, the Manager's Statement of Compliance with the Code, which appears on the Manager's website, at www.senecaim.com.

The Board will also receive from the Manager regular reports on the exercise by the Manager of the Company's voting rights.

Exercise of Voting Powers

The Investment Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights in respect of investee companies. The underlying aim of exercising such voting rights is to protect the return from an investment.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report and Accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Investment Manager's website.

A regular dialogue is maintained with the Company's institutional shareholders and with private client asset managers. As in previous years the Chairman contacted the top institutional shareholders and correspondence took place with a small number of these shareholders. Reference to significant holdings in the Company's Ordinary shares can be found under "Substantial Interests" on page 21.

The Notice of the Annual General Meeting included within the Annual Report and Accounts is sent out 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Manager, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for shareholders. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

15-19 York Place
Edinburgh
EH1 3EB

By order of the Board
R & H Fund Services Limited
Secretaries
10 June 2015

Report of the Audit Committee

Composition of the Audit Committee

- An Audit Committee has been established with written terms of reference and comprises three non-executive Directors, Mr I R Davis (Chairman), Mr J R McCulloch and Mr R A M Ramsay. The Audit Committee members have recent and relevant financial experience. The terms of reference of the Audit Committee are reviewed and re-assessed for their adequacy on an annual basis and are disclosed on the Company's website. Further copies are available on request.

Role of the Audit Committee

A summary of the Committee's main audit review functions is shown below:

- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the interim and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager and Administrator;
- to meet with the external Auditor, Ernst & Young LLP ("EY") to review their proposed audit programme of work and their findings. The Board shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the external Auditor to supply non-audit services;
- to review an annual statement from the Manager and Administrator detailing the arrangements in place whereby the staff of the Manager and of the Administrator may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external Auditor and to approve the remuneration and terms of engagement of the external Auditor; and,
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification.

Annual Report and Financial Statements

The Board of Directors are responsible for preparing the Annual Report and financial statements. The Audit Committee advises the Board on the form and content of the Annual Report and financial statements, any issues which may arise and any specific areas which require judgement. The Audit Committee considered certain significant issues during the year. These are noted in the table below.

Auditor

As part of its review of the scope and results of the audit, during the year the Audit Committee considered and approved EY's plan for the audit of the financial statements for the year ended 30 April 2015. At the conclusion of the audit EY did not highlight any issues to the Audit Committee which would cause it to qualify its audit report nor did it highlight any fundamental internal control weaknesses. EY issued an unqualified audit report which is included on pages 30 to 32.

In relation to the provision of non-audit services by the Auditor it has been agreed that all non-audit work to be carried out by the Auditor must be approved in advance by the Audit Committee and any special projects must also be approved in advance. In addition to statutory audit fees of £27,000 (2014: £26,000), EY received fees for non-audit services of £9,000 for the year (2014: £9,000) which related to the provision of tax compliance and assurance services. The Audit Committee does not consider that the provision of such non-audit services is a threat to the objectivity and independence of the conduct of the audit.

As part of the review of auditor independence and effectiveness, EY has confirmed that it is independent of the Company and has complied with relevant auditing standards. In evaluating EY, the Audit Committee has taken into consideration the standing, skills and experience of the firm and the audit team. The Audit Committee, from direct observation and enquiry of the Manager and Administrator, remains satisfied that EY continues to provide effective independent challenge in carrying out its responsibilities. Following professional guidelines, the audit principal rotates after five years. The current audit principal is in the second year of her appointment. On the basis of this assessment, the Audit Committee has recommended the continuing appointment of EY to the Board. EY's performance will continue to be reviewed annually taking into account all relevant guidance and best practice.

In relation to the annual report and financial statements the following significant issues were considered by the Committee:

Significant Issue	How the issue was addressed
Valuation of investments	Actively traded investments are valued using stock exchange prices provided by third party pricing vendors. Unquoted investments are valued using primary valuation techniques (as set out on page 36) and are reviewed by the Committee at each meeting.
Recognition of income	Income received is accounted for in line with the Company's accounting policy (as set out on page 36) and is reviewed by the Committee at each meeting.
Maintaining internal controls	The Committee receives regular reports on internal controls from the Manager and the Administrator and has access to the relevant personnel at the Manager who have a responsibility for risk management.

All of the above were satisfactorily addressed through consideration of reports provided by and discussed with the Manager.

Internal Controls

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following publication of the Financial Reporting Council's "Internal Control: Revised Guidance for Directors on the Combined Code" (the "FRC guidance") the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed. The significant risks faced by the Company are as follows:

- financial;
- operational; and
- compliance.

The key components designed to provide effective internal control are outlined below:

- R&H Fund Services Limited as Company Secretary and Administrator together with the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Investment Manager as appropriate;

- as a matter of course the Investment Manager's compliance department continually reviews the Investment Manager's operations and reports to the Board on a quarterly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager, Administrator and other third party service providers;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place at the Investment Manager and the Administrator, has decided to place reliance on the Investment Manager's and the Administrator's systems and internal audit procedures.

At its June meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 April 2015 by considering documentation from the Investment Manager and the Administrator, including the compliance function and taking account of events since 30 April 2015. The results of the assessment were then reported to the Board at the next Board meeting.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against mis-statement and loss.

The principal risks and uncertainties affecting the Company are disclosed on pages 15 and 16.

Ian Davis

Chairman of Audit Committee

10 June 2015

Directors' Remuneration Report

Remuneration Committee

Under the UK Listing Rules, where an investment company has only non-executive directors, the Governance Code principles relating to directors' remuneration do not apply. The full Board acts as the Remuneration Committee whose Chairman is the Chairman of the Company.

The remuneration of the Directors has been set in order to attract individuals of a calibre appropriate to the future development of the Company. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is shown below.

The Board has prepared this report in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution for the approval of this Report will be put to the members at the forthcoming Annual General Meeting. As the Board of Directors is comprised solely of non-executive Directors, it is exempt under the Listing Rules from appointing a Remuneration Committee. The determination of the Directors' fees is a matter dealt with by the whole Board. This Report has been divided into separate sections for unaudited and audited information.

Remuneration Policy

The Company's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, Directors' time commitment, and be fair and comparable to that of other investment trusts that are similar in size and have similar investment objectives. There were no changes to the policy during the year and it is intended that this policy will apply following the Annual General Meeting and continue for the three year period ending 30 April 2017.

The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £100,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfill in respect of Board and Committee responsibilities, and the time committed to the Company's affairs. It is intended that this policy will continue for the year ending 30 April 2016 and subsequent years. With effect from 1 January 2015 the Chairman receives fees of £24,500 per annum, the Audit Committee Chairman receives fees of £22,000 per annum and £20,000 is payable to other Directors. The Board reviews fees from time to time.

No Director has a service contract with the Company. Letters of appointment are in place under which the Directors are appointed to the Board subject, inter alia, to reappointment in accordance with the Articles of Association.

The Directors have not had any interests in contractual arrangements with the Company either during the period or subsequently.

No Director past or present has any entitlement to pensions and the Company has not awarded any share options or long-term performance incentives to any of the Directors.

Directors' and officers' liability insurance cover is maintained by the Company on behalf of the Directors. The Company's Articles of Association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings or in connection with any application to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

Annual Report on Directors' Remuneration

Directors' Emoluments (audited)

The Directors who served in the year received the following fees:

	2015 £'000	2014 £'000
R A M Ramsay (Appointed Chairman 3 September 2013)	23	21
I R Davis	21	20
A D Cooke (Retired 2 January 2015)	12	18
H V Reid (Retired 3 September 2013)	n/a	8
J R McCulloch (Appointed 2 January 2015)	6	-
Totals	62	67

The amounts paid by the Company to the Directors were for services as non-executive Directors.

Relative Importance of Spend on Pay

The table below shows the actual expenditure during the year in relation to Directors' remuneration, other expenses and shareholder distributions:

	2015 £'000	2014 £'000	Change %
Aggregate Directors' Remuneration	62	67	-7.5
Management and other expenses	995	982	+1.3
Dividends paid to Shareholders	2,232	2,144	+4.1

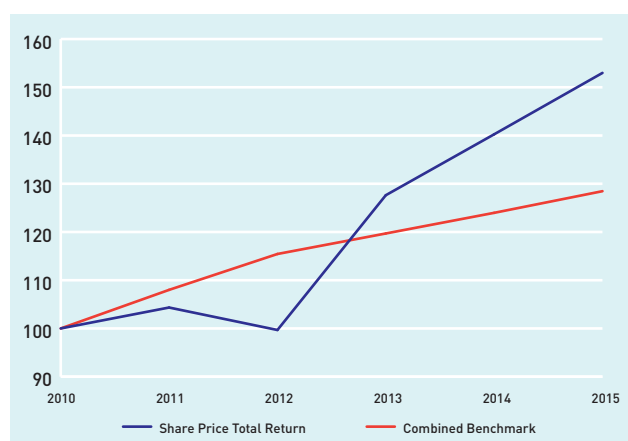
Directors' Shareholdings (audited)

The Directors who held office at the year end and their interests in the Ordinary Shares of the Company were as follows:

	At 30 April 2015 Ordinary shares	At 30 April 2014 Ordinary shares
R A M Ramsay	73,667	73,667
I R Davis	92,557	92,092
J R McCulloch	15,000	Nil

Company Performance

The chart shown below illustrates the total shareholder return for a holding in the Company's shares as compared to the notional annualised return of 8% from 1 May 2010 to 18 January 2012 and 3 month LIBOR plus 3% from 18 January 2012 to 30 April 2015.



Source: R&H Fund Services Limited

Voting at Annual General Meeting

At the Company's last Annual General Meeting, held on 30 September 2014, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 April 2014. 99.8% of votes were in favour of the resolution and 0.2% were against. Also at the last Annual General Meeting, shareholders approved the Directors' Remuneration Policy in respect of the three year period ended 30 April 2017. 99.8% of votes were in favour of the resolution and 0.2% were against.

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to an advisory shareholders vote at the forthcoming Annual General Meeting.

By order of the Board

R&H Fund Services Limited

Secretaries

10 June 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they present a fair, balanced and understandable report and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006, where applicable. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Statement of Corporate Governance that comply with that law and those regulations. The financial statements are published on www.senecaim/sigt/ which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and Accounts taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For Seneca Global Income & Growth Trust plc

Richard Ramsay

Chairman

10 June 2015

Independent Auditor's Report to the Members of Seneca Global Income and Growth Trust plc ('the Company')

Our audit opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 April 2015 and of its net return for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Our audit opinion on 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

What we have audited

We have audited the financial statements of the Company for the year ended 30 April 2015 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the Cash Flow Statement and the related notes 1 to 21. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 29, 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, International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The 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 applied are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of the risk of material misstatement and our audit response

The risks included in the table below represent those material risks of misstatement that have had the greatest impact on our audit strategy and approach for the year ended 30 April 2015 (including the allocation of resources and the directing of efforts of the engagement team). The table also includes our audit response to each of these risks:

<p>Risk identified</p> <p>The valuation of the assets held in the investment portfolio is incorrect and proper legal title to these assets is not held by the company.</p>	<p>Our response</p> <ul style="list-style-type: none"> • We agreed the year end prices for level 1 and level 2 investments to an independent source. • We have reviewed the valuation methodology and with the assistance of our valuation experts, we considered the appropriateness of the valuation techniques, and the inputs used in the valuation of level 3 investments. • We agreed the legal title of all investment holdings to a confirmation obtained directly from the investment custodian.
<p>The income recognised by the company during the year is incorrectly recorded.</p>	<ul style="list-style-type: none"> • We agreed a sample of dividends paid on investments held to an independent pricing source and recalculated income recorded. • We agreed 100% of accrued dividends to an independent source. • We have reviewed the recognition criteria applied to the special dividends received during the year to ensure that the accounting treatment adopted is consistent with our interpretation of the underlying commercial circumstances giving rise to these dividends.

Our application of materiality

We have defined the concept of materiality and planning materiality below.

We determined materiality for the Company to be £0.61 million, which is one per cent of total shareholder's fund (2014: £0.57 million based on one per cent of total shareholder's funds). We have derived our materiality calculation based on a proportion of total equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the company.

We determined performance materiality for the Company to be 75% of materiality, or £0.46 million (2014: 75% of materiality or £0.43 million).

In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £0.03 million (2014: £0.03 million), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

In accordance with the scope of our audit, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We apply the concept of materiality for the purposes of obtaining sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. For this reason, we also define a separate performance materiality threshold which reflects our tolerance for misstatement in an individual account balance and is set as a proportion of our overall materiality.

Our objective in setting the performance materiality threshold is to identify the amount of testing required in respect of each balance to reduce to an appropriately low level the probability that the aggregate of any uncorrected and undetected misstatements in the financial statements as a whole exceeds our materiality level.

We evaluate any uncorrected misstatements and potential audit differences against both the quantitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

We applied the concept of materiality in planning and performing our audit, in evaluating the effect of identified misstatements on our audit and of uncorrected misstatements on the financial statements, and in forming our audit opinion. When establishing our overall audit strategy, we determined the magnitude of omissions or uncorrected misstatements that we judged would be material to the financial statements as a whole. This provided a basis for determining the nature of our risk assessment procedures, identifying and assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.

Matters on which we are required to report by exception

We are required by the International Standards on Auditing (UK and Ireland), the Companies Act 2006 and the Listing Rules to report to you by exception if certain matters are identified during the course of our audit. These matters are listed below and we have nothing to report in respect of any of these matters.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 16, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Caroline Mercer

(Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

10 June 2015

Income Statement

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	Notes	Year ended 30 April 2015			Year ended 30 April 2014		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	9	-	3,390	3,390	-	1,902	1,902
Income	2	3,044	-	3,044	2,969	-	2,969
Investment management fee	3	(241)	(241)	(482)	(232)	(232)	(464)
Administrative expenses	4	(393)	-	(393)	(402)	-	(402)
Exchange gains	15	-	6	6	-	-	-
Net return on ordinary activities before interest payable and taxation		2,410	3,155	5,565	2,335	1,670	4,005
Finance costs	5	(60)	(60)	(120)	(58)	(58)	(116)
Net return on ordinary activities before taxation		2,350	3,095	5,445	2,277	1,612	3,889
Taxation	6	-	-	-	-	-	-
Return on ordinary activities after taxation		2,350	3,095	5,445	2,277	1,612	3,889
Return per share (pence)	8	5.89	7.76	13.65	5.71	4.04	9.75

The Total column of this statement represents the profit and loss account of the Company.

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

No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

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

Balance Sheet

	Notes	As at 30 April 2015 £'000	As at 30 April 2014 £'000
Non-current assets			
Investments at fair value through profit or loss	9	65,988	63,624
Current assets			
Debtors and prepayments	10	501	677
Cash and short term deposits		1,217	179
		1,718	856
Creditors: amounts falling due within one year	11		
Bank loan		(7,000)	(7,000)
Other creditors		(115)	(102)
		(7,115)	(7,102)
Net current liabilities		(5,397)	(6,246)
Net assets		60,591	57,378
Capital and reserves			
Called-up share capital	12	9,974	9,974
Share premium account		1,445	1,445
Special reserve		41,783	41,783
Capital redemption reserve		2,099	2,099
Capital reserve	13	4,325	1,230
Revenue reserve		965	847
Equity shareholders' funds		60,591	57,378
Net asset value per share (pence)	17	151.87	143.82

The financial statements were approved by the Board of Directors and authorised for issue on 10 June 2015 and were signed on its behalf by:

R A M Ramsay

Chairman

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

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 April 2015	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2014	9,974	1,445	41,783	2,099	1,230	847	57,378
Return on ordinary activities after taxation	-	-	-	-	3,095	2,350	5,445
Dividends paid (see note 7)	-	-	-	-	-	(2,232)	(2,232)
Balance at 30 April 2015	9,974	1,445	41,783	2,099	4,325	965	60,591

For the year ended 30 April 2014	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2013	9,974	1,445	41,783	2,099	(382)	714	55,633
Return on ordinary activities after taxation	-	-	-	-	1,612	2,277	3,889
Dividends paid (see note 7)	-	-	-	-	-	(2,144)	(2,144)
Balance at 30 April 2014	9,974	1,445	41,783	2,099	1,230	847	57,378

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.
The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 30 April 2015		Year ended 30 April 2014	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	14		2,355		1,932
Servicing of finance					
Bank and loan interest paid			(117)		(136)
Taxation					
Tax paid			-		-
Financial investment					
Purchases of investments		(22,789)		(28,306)	
Sales of investments		23,815		26,478	
Net cash inflow/(outflow) from financial investment			1,026		(1,828)
Equity dividends paid			(2,232)		(2,144)
Increase/(decrease) in cash			1,032		(2,176)
Reconciliation of net cash flow to movements in net debt					
Increase/(decrease) in cash as above			1,032		(2,176)
Exchange movements			6		-
Movement in net debt in the year			1,038		(2,176)
Net debt at 1 May			(6,821)		(4,645)
Net debt at 30 April	15		(5,783)		(6,821)

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

Notes to the Financial Statements

For the year ended 30 April 2015

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1 Accounting Policies

(a) Basis of Preparation and Going Concern

The financial statements have been prepared in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Strategic Report on page 16.

(b) Investments

Investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are valued at fair value. For listed investments, this is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Investments in collective investment schemes have been valued at bid price for dual priced funds or single price for single priced funds. Unlisted investments held are not quoted on a recognised stock exchange, however there is a quoted price available, and is considered by the Directors to approximate fair value. The unquoted investments held (see note 9) are valued by the Directors using International Private Equity and Venture Capital Valuation (IPEV) guidelines, such as earnings multiples, recent transactions and net assets, which equate to their fair values. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Income Statement.

(c) Income

Income from investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex dividend. Special dividends are credited to capital or revenue, according to the circumstances. The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares. Interest receivable on short term deposits is treated on an accruals basis.

(d) Expenses

All expenses are accounted for on an accrual basis. Expenses are charged to revenue within the Income Statement except as follows:

- transaction costs on the acquisition or disposal of investments are charged to capital;
- expenses are charged to capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect the investment management fee and loan interest on the £7 million bank loan have been allocated 50% to capital and 50% to revenue within the Income Statement;
- loan break costs are charged 100% to capital within the Income Statement.

(e) Deferred Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in future against which the deferred tax asset can be offset. Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(f) Foreign Currency

Transactions involving foreign currencies are converted to sterling, being the Company's functional currency, at the rate ruling at the date of the transaction. Translation of all other foreign currency balances including foreign assets and foreign liabilities is at the middle rates of exchange at the year end. Differences arising from translation are treated as a gain or loss to capital or revenue within the Income Statement depending upon the nature of the gain or loss.

(g) Interest Bearing Borrowings

All non-current borrowings are initially recognised at cost, being fair value of the consideration received. After initial recognition, all interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs.

2 Income	2015 £'000	2014 £'000
Income from investments		
UK franked income	1,080	1,105
UK unfranked dividend income	1,172	985
UK unfranked interest income	-	36
Overseas dividends	787	831
	3,039	2,957
Other income		
Deposit interest	5	12
	5	12
Total income	3,044	2,969

3 Investment Management Fees	Revenue £'000	2015 Capital £'000	Total £'000	Revenue £'000	2014 Capital £'000	Total £'000
Investment management fee	241	241	482	232	232	464

The Company's investment manager is Seneca Investment Managers Limited ("Seneca"). The management fee payable is calculated by reference to the Company's market capitalisation, at a rate of 0.9% per annum on market capitalisation up to £50m and 0.65% per annum on market capitalisation above this figure. The agreement is terminable by either party on twelve months' notice. The fee is chargeable 50% to capital and 50% to revenue within the Income Statement. The balance due to Seneca at the year end was £40,000 (2014: £40,000).

4 Administrative Expenses	Revenue £'000	2015 Capital £'000	Total £'000	Revenue £'000	2014 Capital £'000	Total £'000
Administration fees	114	-	114	112	-	112
Directors' fees	62	-	62	67	-	67
Printing and stationery	25	-	25	14	-	14
Auditors' remuneration:						
- audit (inclusive of VAT)	27	-	27	26	-	26
- compliance taxation services (inclusive of VAT)	9	-	9	9	-	9
Other	156	-	156	174	-	174
	393	-	393	402	-	402

The Company has an agreement with R&H Fund Services Limited ("R&H") for the provision of administration services.

R & H is entitled to a fixed fee of £80,000 per annum (index-linked) and a variable fee of 0.075% per annum of the Company's total assets in excess of £50 million, subject to a maximum variable fee of £50,000 per annum.

The agreement is terminable by either party on three months' notice. No sum was due to R&H at the year end (2014 - £nil).

	Revenue £'000	2015 Capital £'000	Total £'000	Revenue £'000	2014 Capital £'000	Total £'000
5 Finance Costs						
On bank loans and overdrafts	60	60	120	58	58	116

Finance costs relate to interest charged on the revolving loan facility, details of which are disclosed in note 11.

	Revenue £'000	2015 Capital £'000	Total £'000	Revenue £'000	2014 Capital £'000	Total £'000
6 Taxation						
(a) Analysis of charge for the year						
Current tax payable	-	-	-	-	-	-

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	Revenue £'000	2015 Capital £'000	Total £'000	Revenue £'000	2014 Capital £'000	Total £'000
Net profit (loss) on ordinary activities before taxation	2,350	3,095	5,445	2,277	1,612	3,889
Corporation tax at 20.92% (2014 - 22.83%)	491	647	1,138	520	368	888
Effects of:						
Non-taxable UK dividends	(226)	-	(226)	(252)	-	(252)
Non-taxable overseas dividends	(165)	-	(165)	(190)	-	(190)
Movement in unutilised management expenses	(100)	62	(38)	(78)	66	(12)
Gains on investments not taxable	-	(709)	(709)	-	(434)	(434)
Current tax payable	-	-	-	-	-	-

(c) Factors that may affect future tax changes

There was no provision for deferred taxation made for either this year or the previous year. The Company has not recognised a deferred tax asset of £1,043,000 (2014 - £1,475,000) arising as a result of non-trading deficits and eligible unrelieved foreign tax. These deficits will only be utilised if the Company has profits chargeable to corporation tax in future accounting periods. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

7 Dividends

Amounts recognised as distributions to equity holders for the year ended 30 April 2015:

	2015 £'000	2014 £'000
Fourth interim dividend for 2014 - 1.40p (2013 - 1.35p)	558	539
First interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
Second interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
Third interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
	2,232	2,144

A fourth interim dividend has been declared for the year of 1.47p (2014 - 1.40p) per share, amounting to £586,000 (2014 - £558,000). There is no final dividend proposed for the year (2014 - nil).

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £2,350,000 (2014 - £2,277,000).

	2015 £'000	2014 £'000
Fourth interim dividend for 2015 - 1.47p (2014 - 1.40p)	586	558
Third interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
Second interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
First interim dividend for 2015 - 1.40p (2014 - 1.34p)	558	535
	2,260	2,163

8 Return per Ordinary Share

The return per Ordinary share is based on the following figures:

	Revenue P	2015 Capital P	Total P	Revenue P	2014 Capital P	Total P
	5.89	7.76	13.65	5.71	4.04	9.75

The revenue return per Ordinary share is calculated on net revenue on ordinary activities after taxation for the year of £2,350,000 (2014 - £2,277,000) and on 39,896,361 (2014 - 39,896,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The capital return per Ordinary share is calculated on net capital return for the year of £3,095,000 (2014 - gains of £1,612,000) and on 39,896,361 (2014 - 39,896,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The total return per Ordinary share is calculated on total return for the year of £5,445,000 (2014 - gains of £3,889,000) and on 39,896,361 (2014 - 39,896,361) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

9 Investments	Listed in the UK £'000	Unquoted and unlisted £'000	Total £'000
Fair value through profit or loss:			
Opening book cost	34,965	23,744	58,709
Opening fair value gains/(losses) on investments held	9,396	(4,481)	4,915
Opening valuation	44,361	19,263	63,624
Movements in year:			
Purchases at cost	15,297	7,492	22,789
Sales - proceeds	(17,252)	(6,563)	(23,815)
- profit on sales	267	528	795
Movement in fair value of investments held	(1,556)	4,151	2,595
Closing fair value of investments held	41,117	24,871	65,988
Closing book cost	33,277	25,201	58,478
Closing fair value gains/(losses) on investments held	7,840	(330)	7,510
	41,117	24,871	65,988

Gains on investments	2015 £'000	2014 £'000
Gains on sales	795	1,867
Increase in fair value of investments held	2,595	35
	3,390	1,902

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

	2015 £'000	2014 £'000
Purchases	37	39
Sales	14	34
	51	73

10 Debtors: Amounts Falling Due Within One Year	2015 £'000	2014 £'000
Dividends and interest receivable	481	655
Prepayments and other debtors	20	22
	501	677

None of the above amounts are past their due date or impaired (2014: nil).

11 Creditors: Amounts Falling Due Within One Year	2015 £'000	2014 £'000
Bank loan	7,000	7,000
Interest payable	13	10
Other creditors	102	92
	7,115	7,102

The Company has a £7 million revolving loan facility in place with Royal Bank of Scotland plc, of which at 30 April 2015 the full amount had been drawn down at an all-in fixed rate of 1.6874%. The facility runs until October 2015 and can be cancelled at any time without cost to the Company.

12 Called up Share Capital	2015 £'000	2014 £'000
Authorised		
390,000,000 (2014 - 390,000,000) Ordinary shares of 25p	97,500	97,500
Called-up, allotted and fully paid		
39,896,361 (2014 - 39,896,361) Ordinary shares of 25p	9,974	9,974

13 Capital Reserve	2015 £'000	2014 £'000
Balance brought forward	1,230	(382)
Movement in fair value gains/(losses)	3,390	1,902
Foreign exchange movement	6	-
Capitalised expenses	(301)	(290)
Balance carried forward	4,325	1,230

The capital reserve includes investment holding gains amounting to £7,510,000 (2014 - gains of £4,915,000), as disclosed in note 9.

14 Reconciliation of Net Revenue Before Finance Costs and Taxation to Net Cash Inflow from Operating Activities	2015 £'000	2014 £'000
Net return before finance costs and taxation	5,565	4,005
Adjustments for:		
Gains on investments	(3,390)	(1,902)
Exchange movements	(6)	-
Decrease/(increase) in accrued income	174	(159)
Decrease in other debtors	2	2
Increase in other creditors	10	(14)
Net cash inflow from operating activities	2,355	1,932

15 Analysis of Changes in Net Debt	1 May 2014 £'000	Cash flow £'000	Exchange movements £'000	30 April 2015 £'000
Cash and short term deposits	179	1,032	6	1,217
Debt due in less than one year	(7,000)	-	-	(7,000)
	(6,821)	1,032	6	(5,783)

16 Commitments and Contingencies

As at 30 April 2015 there were no contingent liabilities (2014 - nil).

As at 30 April 2015 there was no commitment fee payable to The Royal Bank of Scotland as the bank loan was fully drawn down (2014 - nil).

17 Net Asset Value Per Equity Share

	2015	2014
Net assets attributable	£60,591,000	£57,378,000
Number of Ordinary shares in issue	39,896,361	39,896,361
Net asset value per Ordinary share	151.87p	143.82p

18 Risk Management, Financial Assets and Liabilities

The Company's financial instruments comprise:

- Equities and debt security investments that are held in accordance with the Company's investment objectives, which are set out on page 1 of this Report;
- Term loans and bank overdrafts, the main purpose of which are to raise finance for the Company's operations;
- Cash and liquid resources that arise directly from the Company's operations; and
- Other short term debtors and creditors.

The main risks arising from the Company's financial instruments are market risk, interest rate risk, credit risk, liquidity risk and foreign currency risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Company.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not considered to be significant as the Company's assets comprise of mainly readily realisable securities, which can be sold to meet funding commitments if necessary.

Market risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long term investments. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

A list of the investments held by the Company at 30 April 2015 is shown in the 'Investment Portfolio' table on pages 11 and 12. All investments are stated at fair value.

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 30 April 2015 would have increased/decreased by £6,333,000 (2014 - increase/decrease of £6,096,000) and equity reserves would have increased/decreased by the same amount.

Market risk includes interest rate risk, foreign currency risk, other price risk.

Interest Rate Risk

Financial Assets

Prices of bonds, open ended investment companies (on a look-through basis) and floating rate notes together with preference share yields, are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee company.

Returns from bonds and preference shares are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred. The Company did not hold any bonds at 30 April 2015.

Financial Liabilities

The Company finances its operations through the use of a loan facility. The Board sets borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

Maturity Profile

The maturity profile of the Company's financial assets and liabilities at 30 April 2015 and 30 April 2014 was as follows:

At 30 April 2015	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate				
Bank loan	(7,000)	-	-	(7,000)
Floating rate				
Cash	1,217	-	-	1,217

Details of the Company's loan is shown in note 11. All the other financial assets and liabilities do not have a maturity date.

At 30 April 2014	Within 1 year £'000	Within 1-5 years £'000	More than 5 years £'000	Total £'000
Fixed rate				
Bank loan	(7,000)	-	-	(7,000)
Floating rate				
Cash	179	-	-	179

Interest Rate Sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for floating and fixed interest investments and borrowings at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of investments that have floating rates.

If interest rates had been 100 basis points higher or lower respectively and all other variables were held constant, the Company's:

- Profit before tax for the year ended 30 April 2015 would increase/decrease by £58,000 (2014 - £64,000). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings and floating rate cash balances. These positions have been calculated based on cash balance and borrowing positions at each year end.
- Profit before tax for the year ended 30 April 2015 would increase/decrease by £167,000 (2014 - £186,000). This is mainly attributable to the Company's exposure to interest rates on its directly held fixed interest securities and third party managed debt funds, which are both fixed and variable rate vehicles. This is based on modified duration calculations on directly held fixed interest holdings and assumptions of modified duration on third party funds held.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will fluctuate depending on the current market perception.

Foreign Currency Risk

The income and capital value of the Company's investments are mainly denominated in Sterling; therefore, the Company is not subject to any material risk of currency movements. At the year end the Company held the following investments:

	2015		2014	
	Currency	Sterling equivalent	Currency	Sterling equivalent
Euro	2,590	1,891	2,719	2,335
US	4,672	3,043	3,056	1,810
Canadian Dollar	500	272	500	272

At the year end the Company held foreign currency cash balances with the sterling equivalent of £56,000 (2014 - £nil).

Other Price Risk

Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed on page 14, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Credit Risk

Credit risk represents the failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

The risk is not considered significant, and is managed as follows:

- where the Investment Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;
- investments in quoted bonds are made across a variety of industry sectors and geographic markets so as to avoid concentrations of credit risk;
- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, the credit rating of which is taken into account prior to undertaking the transaction so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports by the Administrator on a daily basis. In addition, the Administrator carries out a stock reconciliation to the Custodian's records on a weekly basis to ensure discrepancies are picked up on a timely basis. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's Risk Management Committee; and
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

19 Capital Management Policies and Procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 20% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market and the extent to which revenue in excess of that which is required to be distributed should be retained.

Capital management	2015 £'000	2014 £'000
Debt		
Bank loan	7,000	7,000
Equity		
Equity share capital	9,974	9,974
Retained earnings and other reserves	50,617	47,404
	60,591	57,378
Debt as a % of net assets	11.55	12.20

The Company considers the above headings to be the capital that it manages.

20 Fair Value Hierarchy

The Company adopted the amendments to FRS 29 'Financial Instruments: Disclosures' which requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy at 30 April 2015 as follows:

Financial assets at fair value through profit or loss	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	2015 Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	2014 Total £'000
Quoted Equities	a)	41,117	-	-	41,117	44,365	-	-	44,365
OEICs	a)	20,883	607	723	22,213	14,795	609	1,191	16,595
Unquoted Equities	b)	-	-	2,658	2,658	-	-	2,664	2,664
Net fair value		62,000	607	3,381	65,988	59,160	609	3,855	63,624

a) Quoted Investments

Quoted Equities included in Fair Value Level 1 are actively traded on recognised stock exchanges and the fair value of these investments have been determined by reference to their quoted bid prices at the reporting date. The fair value for OEICs included in Level 1 and Level 2, have been determined based on prices published by the relevant Fund Manager. Those OEICs included within Level 1 are quoted in an active market.

b) Unquoted Investments

The fair value of the Company's investments in unquoted stocks have been determined by reference to primary valuation techniques described in note 1(b).

A reconciliation of fair value measurements in Level 3 is set out in the following table:

	Equity investments £'000	Total £'000
Opening balance	3,855	3,855
Purchases	-	-
Sales	(618)	(618)
Total gains or losses included in gains on investments in the Income Statement:		
- on assets sold	248	248
- on assets held at the end of the year	(104)	(104)
Closing balance	3,381	3,381

21 Related Parties

The Directors of the Company receive fees for their services. Further details are provided in the Directors' Remuneration Report on pages 27 and 28.

Glossary of Terms and Definitions

Actual Gearing	Total assets (as below) less all cash divided by shareholders' funds.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Discount/Premium	The amount by which the market price per share of an investment trust is lower or higher than the net asset value per share. The discount or premium is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
Net Asset Value or NAV	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. To calculate the net asset value per Ordinary share the net asset value divided by the number of shares in issue produces the net asset value per share.
Ongoing Charges Ratio	A measure of all operating costs incurred in the reporting period, calculated as a percentage of average net assets in that year. Operating costs exclude costs suffered within underlying investee funds, costs of buying and selling investments, interest costs, taxation and the costs of buying back or issuing ordinary shares.
Potential Gearing	Total assets (as below) divided by shareholders' funds.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Redemption Yield	The measure of the annualised total return on the current price of a security up to the date of its repayment. The calculation is based on aggregated income and capital returns, no account being taken of taxation.
Total Assets	Total assets less current liabilities (excluding prior charges as defined above).
Total Return	Total return involves reinvesting the net dividend in the month that the share price goes up. The NAV total return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.

Notice of Annual General Meeting

Notice is hereby given that the nineteenth Annual General Meeting of Seneca Global Income & Growth Trust PLC will be held at the offices of Maclay Murray & Spens LLP, One London Wall, London EC2Y 5AB, on 9 July 2015 at 12.30 p.m. to consider the following resolutions:

As Ordinary Business

To consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive the Directors' report and financial statements for the year ended 30 April 2015, together with the auditor's report thereon.
2. To approve the Directors' Remuneration Report.
3. To elect Mr J R McCulloch as a Director.
4. To re-elect Mr I R Davis as a Director.
5. To reappoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to agree their remuneration.

As Special Business

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

6. That, pursuant to Article 137 of the Company's Articles of Association, the Company shall continue as an investment company until the conclusion of the next Annual General Meeting.
7. THAT, in substitution for all existing powers the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act"), to allot shares in the Company, and to grant rights ("Relevant Rights") to subscribe for, or to convert any security into, shares in the Company:
 - (a) up to an aggregate nominal amount of £3,324,697; and
 - (b) up to a further aggregate nominal amount of £3,324,697 in connection with an offer made by means of a negotiable document to all holders of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of such Ordinary shares held by them (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever);

such authorisation to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2016 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may

at any time before the expiry of this authorisation make an offer or enter into an agreement which would or might require shares to be allotted or Relevant Rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant Relevant Rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

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

8. THAT, subject to the passing of resolution numbered 7 above and in substitution for all existing powers the Directors be empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 (1), (2) and (3) of the Act) pursuant to the authorisation under Section 551 of the Act as conferred by resolution 7 above or by way of sale of treasury shares, in each case as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £997,409 which are, or are to be, wholly paid up in cash, at a price not less than the net asset value per share at allotment, as determined by the Directors; and
 - (b) the allotment of equity securities in connection with an offer to (a) all holders of ordinary shares of 25p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, or requirements of, any territory, regulatory body or any stock exchange in any territory or otherwise howsoever) at a price of not less than the net asset value per share at allotment, as determined by the Directors; and

such power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2016, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.
9. THAT, the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary

shares of 25p each in the capital of the Company ("Ordinary shares"), and to cancel or hold in treasury such shares provided that:

- (a) the maximum number of Ordinary shares hereby authorised to be purchased is the amount equal to 14.99 per cent. of the Ordinary shares in issue as at the date of the passing of this Resolution 9;
- (b) the minimum price which may be paid for an Ordinary share is 25p;
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall not be more than the higher of (i) an amount equal to 5 per cent. above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;

- (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and
- (e) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

10. THAT, a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

R&H Fund Services Limited

15-19 York Place Edinburgh EH1 3EB

10 June 2015

Notes:

1. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.senecaim/sigt/.
2. As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A form of proxy is enclosed.
3. To be valid, any proxy form or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's registrars so as to arrive not less than 48 hours before the time fixed for the meeting. The return of a completed proxy form or other instrument of proxy will not prevent you attending the Meeting and voting in person if you wish to do so.
4. The right to vote at the meeting is determined by reference to the Company's Register of Members as at 6.00 p.m. on 7 July 2015 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting. Changes to the entries on that Register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. 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 them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting.

If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
10. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
11. As at close of business on 9 June 2015 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 39,896,361 Ordinary shares of 25 pence each. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 9 June 2015 is 39,896,361.

12. No Director has a service contract with the Company, however, copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.
13. Under Section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting. Under Section 338A of that Act, members may request the Company to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.
14. Members should note that it is possible that, pursuant to requests made by the Members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the Members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on the website.
15. There are special arrangements for holders of shares through Aberdeen's Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ('Plan Participants'). These are explained in the separate 'Letter of Direction' which Plan Participants will have received with this Annual Report.
16. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
17. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
18. In accordance with Section 311A of the Companies Act 2006, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website **www.senecaim/sigt/**.

Corporate Information

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Directors

Richard A M Ramsay, Chairman
Ilan R Davis
James R McCulloch

Manager

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Company Registration Number: 03173591

Company Secretary and Administrator

R&H Fund Services Limited
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Edinburgh EH1 3EB

Registrars

Equiniti
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Spencer Road
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Shareholder helpline **0871 384 2411**
Shareview dealing helpline **0845 603 7037**
Textel/Hard of hearing line **0871 384 2255**
International helpline **+44 121 415 7047**

Calls to the Equiniti shareholder helpline are charged at 8p per minute plus network extras.

Lines open 8.30am to 5.30pm, Monday to Friday.

Website **www.senecaim/sigt/**

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Bankers

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State Street Bank and Trust Company
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