Annual Report and Accounts
for the year ended 31 March 2011

Blue Planet

Financials Growth & Income
Investment Trusts No 1 – 10 plc

Contents

Registered Numbers

Blue Planet Financials Growth and Income Investment Trust No 1 plc
(Registered Number 162796)
Blue Planet Financials Growth and Income Investment Trust No 2 plc
(Registered Number 162797)
Blue Planet Financials Growth and Income Investment Trust No 3 plc
(Registered Number 162798)
Blue Planet Financials Growth and Income Investment Trust No 4 plc
(Registered Number 162799)
Blue Planet Financials Growth and Income Investment Trust No 5 plc
(Registered Number 162800)
Blue Planet Financials Growth and Income Investment Trust No 6 plc
(Registered Number 162801)
Blue Planet Financials Growth and Income Investment Trust No 7 plc
(Registered Number 162802)
Blue Planet Financials Growth and Income Investment Trust No 8 plc
(Registered Number 162803)
Blue Planet Financials Growth and Income Investment Trust No 9 plc
(Registered Number 162804)
Blue Planet Financials Growth and Income Investment Trust No 10 plc
(Registered Number 162805)

Each of the above named investment trusts is a separate limited company registered in Scotland, but otherwise they are to all intents and purposes identical. The information contained in this Report and Accounts (including the Notes on the Accounts) applies equally to each of the ten Blue Planet Financials Growth and Income Investment Trusts (the "Trusts") and reference to the "Company" or the "Trust" shall be deemed to be a reference to each of them.

Trading in the shares of the Trusts
The Trusts' shares can be traded in share units. Each unit comprises 10 shares, 1 in each of the 10 trusts. It is generally cheaper for investors to trade in the units rather than the underlying shares.

This document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should seek personal financial advice from your independent financial advisor authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Blue Planet Financials Growth & Income Investment Trusts No 1-10 plc, please forward this document, together with the enclosed form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was affected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

Shareholder Services

Blue Planet Investment Trust Savings Plan

The Blue Planet Investment Trust Savings Scheme allows participants to invest commission free in any of the range of investment trusts managed by Malta-based Blue Planet Investment Management Ltd. There are options to invest lump sums, gifts and regular monthly savings. Dividends may be automatically reinvested in the shares of the trust through the Savings Scheme. There are no ongoing charges apart from Stamp Duty on purchases and a handling fee on share sales payable to Equiniti Financial Services Limited, the administrators of the Scheme. You may add to or withdraw from your investment at any time. Stock market and currency movements may cause the value of investments and income from them to fall as well as rise and investors may not get back the amount invested. **Contact Blue Planet Investment Advisers Ltd on 0131 466 6666 for a Blue Planet Savings Scheme brochure and application pack. Alternatively, visit the Blue Planet website (http://www.bpia.eu) to download the Savings Scheme brochure and application pack. Equiniti Financial Services Limited are the administrators of the scheme and can be reached on 0871 384 2781. (Calls to this number are charged at 8p per minute from BT landline. Other telephone provider's costs may vary.) Alternatively please write to Blue Planet Investment Trust Savings Scheme, Equiniti Financial Services Limited, PO. Box 4605, Aspect House Spencer Road, Lancing, West Sussex, BN99 6QY (http://www.equinity.com).**

How do I buy and sell shares?

Blue Planet Financials Growth and Income Investment Trusts share units are traded on the London Stock Exchange, under code BPFU. To buy or sell shares, please contact your stockbroker or use a share dealing service such is available by telephone or the internet; further information is available from The London Stock Exchange "Locate a Broker" service on www.londonstockexchange.com.

Capital Gains Tax

Apportionment for capital gains tax between ordinary shares and warrants based on mid-market prices on the first day of dealings (25 April 1996) in the ordinary shares and the warrants:

Each ordinary share	9.524p
Each warrant	23.80p

Investment Policy and Objectives

The investment policy of the Company is to invest in securities (as defined by the Financial Services & Markets Act 2000) including equities and debt issued by quoted financial companies located anywhere in the world with the objective of providing investors with a total return greater than the Bloomberg World Financial Index. Not more than 15% of the Company's portfolio may be invested in any one entity at the time the investment is made. The maximum gearing that will be employed is set by the Directors from time to time and is currently 50% of shareholders' funds (the Company's Articles permit a maximum gearing of 50%). The company's benchmark index is the Bloomberg World Financial index and there is no restriction on the amount that may be invested in any one country. The actual number of investment holdings, the level of gearing and country allocations will depend on market conditions and the judgement of the Board of what is in the best interest of shareholders.

Dividends

No interim dividend was declared in the year and no final dividend is proposed (2010 – nil)

Blue Planet Investment Trust Savings Scheme

To become a Savings Plan member follow our simple 3 step process:

1. Download Investment Trust Savings Scheme brochure and application pack from www.bpia.eu.

   This document contains a:
   - Basic Savings Plan overview
   - Key features document
   - Fund information sheet
   - Terms & Conditions document
   - Savings application form (monthly & lump sum)
   - Gift application form.
2. Download the latest monthly information sheet, from the Investment Manager on www.blueplanet.eu.
3. Read over the documents and fill out our simple monthly, gift and/or lump sum application forms.

Registrars

For change of address, notification of death of shareholder, queries about shareholding, proxy, warrant or dividend, lost or destroyed certificates and confirmation of holding, please contact:
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

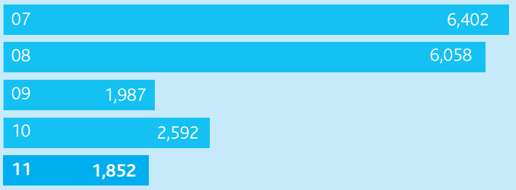
ssd@capitaregistrars.com
0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri)
+44 208 639 3399 (from overseas)

www.capitaregistrars.com
The following can be downloaded from the Capita website:
- Dividend mandate form C
- Change of address form
- Stock transfer form

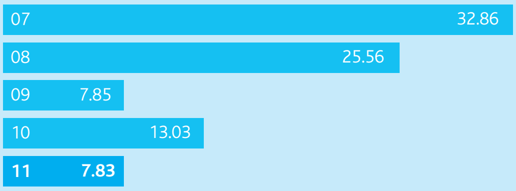
Note: Blue Planet Investment Advisers Ltd does not hold individual shareholder details. Please contact your broker for a formal share valuation, to buy or to sell shares. Share prices are available from the London Stock Exchange: www.londonstockexchange.com and from a range of national press publications and electronic information services.

Financial Record highlights

Total assets less current liabilities (excluding loans) 2007-2011 £ 000

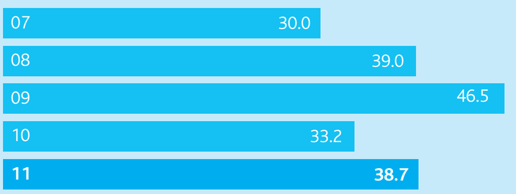


Net asset value per share 2007-2011 p

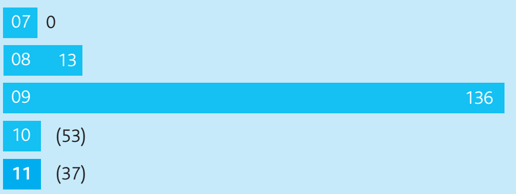


Share price 2007-2011 p

Discount 2007-2011 %



Return available for shareholders 2007-2011 £ 000



Source: Blue Planet

Financial Record and Key Performance Indicators

As at 31 March	2011	2010	2009	2008	2007
Total assets less current liabilities (excluding loans) (£'000)	1,852	2,592	1,987	6,058	6,402
Loans (£'000)	(782)	(811)	(915)	(2,569)	(1,925)
Shareholders' funds (£'000)	1,070	1,781	1,072	3,490	4,477
Net asset value per share (p)	7.83	13.03	7.85	25.56	32.86
Share price (p) – (Bid)	4.80	8.70	4.20	15.60	23.00
Discount (%)	38.7	33.2	46.5	39.0	30.0
Gearing (%)*	47.2	–	6.5	–	28.9
Year to 31 March	**2011**	**2010**	**2009**	**2008**	**2007**
Return available for shareholders (£'000)****	(37)	(53)	136	13	0
Revenue return per share (p)	(0.27)	(0.38)	1.00	0.09	0.00
Proposed final dividend per share (net) (p) (note 6)	–	–	0.76	–	–
Dividend yield on our shares (%)	–	–	18.1	–	–
Dividend yield on Benchmark Index (%)	2.35	2.03	5.76	3.42	3.23
Expenses ratio – net basis (%) **	5.83	4.99	2.57	3.51	3.38
Expenses ratio – gross basis (%) ***	2.91	3.07	1.44	2.53	2.29

The Board believes the above KPI's are of most interest to shareholders in monitoring the performance of the Company.

* Net debt as a percentage of shareholders' funds
** Net basis - Administrative expenses as a percentage of the average net asset value of the Company
*** Gross basis - Administrative expenses as a percentage of the average gross asset value of the Company
**** 2009 Includes VAT recovered of £27,000

Portfolio Information

At 31 March 2011		Country Name	Valuation (£)	% of Portfolio 2011
Equities				
8,966	BP Global Financials-A Class	Eire	305,954	16.4
49,659	Sberbank	Russia	116,296	6.2
5,250	Direxion Daily Financial Bull 3X	United States	98,993	5.3
2,983	Capital One Financial Corporation	United States	96,450	5.2
21,408	Aviva plc	United Kingdom	92,611	5.0
10,471	Canara Bank Ltd	India	91,573	4.9
27,256	LIC Housing Finance Ltd.	India	86,064	4.6
202,600	PT Bank Rakyat Indonesia (Persero)	Indonesia	83,240	4.5
2,833	JP Morgan Chase & Co	United States	81,389	4.4
4,940	Discover Financial Services	United States	74,112	4.0
947	Affiliated Managers Group, Inc	United States	64,446	3.4
36,710	Dena Bank - IPC	India	53,559	2.9
5,165	KKR & Co. L.P.	United States	52,859	2.8
1,757	Lazard Ltd	United States	45,445	2.4
4,044	The Blackstone Group LP	United States	45,012	2.4
2,257	Wells Fargo & Co	United States	44,539	2.4
2,895	Bank of Baroda - IPC	India	38,929	2.1
102,300	Krung Thai Bank Pcl (NVDR)	Thailand	38,531	2.1
14,420	Aberdeen Asset Management plc	United Kingdom	30,397	1.6
69,550	Blue Planet Worldwide Financials Investment Trust plc	United Kingdom	29,211	1.6
5,630	Bank St. Petersburg	Russia	18,171	1.0
933	SCOR SE	France	15,832	0.8
39,393	Blue Planet European Financials Investment Trust plc	United Kingdom	14,575	0.8
Listed Investments			**1,618,188**	**86.8**
Cash			**245,084**	**13.2**
Total			**1,863,272**	**100.0**

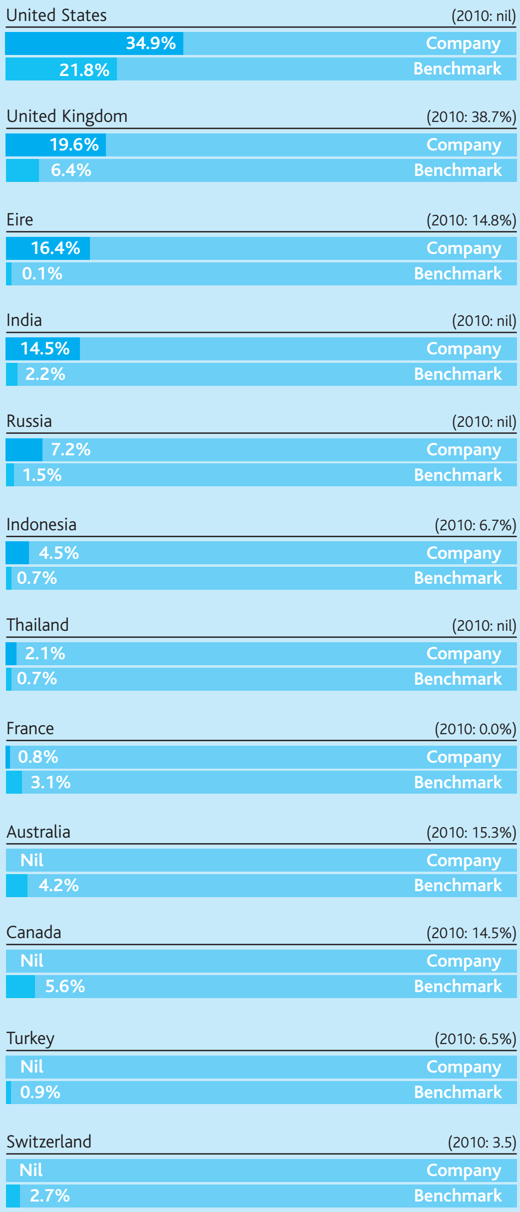
At 31 March 2011 the portfolio yield, as reported to the Association of Investment Companies, was 2.29% (2010 – 1.35%).

Classification of Investments

At 31 March 2011	Banks %	Investment Companies %	Other Finance %	Cash %	Total 2011 %	Total 2010 %
United States	9.2	8.6	14.5	2.6	34.9	–
United Kingdom	–	4.0	5.0	10.6	19.6	38.7
Eire	–	16.4	–	–	16.4	14.8
India	9.9	–	4.6	–	14.5	–
Russia	7.2	–	–	–	7.2	–
Indonesia	4.5	–	–	–	4.5	6.7
Thailand	2.1	–	–	–	2.1	–
France	–	–	0.8	–	0.8	0.0
Australia	–	–	–	–	–	15.3
Canada	–	–	–	–	–	14.5
Turkey	–	–	–	–	–	6.5
Switzerland	–	–	–	–	–	3.5
Cyprus	–	–	–	–	–	0.0
Brazil	–	–	–	–	–	0.0
Poland	–	–	–	–	–	0.0
Norway	–	–	–	–	–	0.0
Totals 2011	32.9	29.0	24.9	13.2	100.0	–
Totals 2010	32.0	14.8	–	53.2	–	100.00
Benchmark*	63.8	6.2	30.0	–	100.0	

*Our benchmark is the Bloomberg World Financial Index (sterling denominated).

Classification of Investments By Country



Victoria Killay, Chairman

Chairman's Statement

Performance

In the past year the net asset value ("NAV") of your Fund has fallen 39.9%, ending the period at 7.83p per share or 78.3p per Share Unit and disappointingly reversed the very strong gains it made in the Fund's year 2009/10. The Fund's benchmark index, the Bloomberg World Financial Index has made a 0.5% return over the year to 31 March 2011 in sterling terms. The Share Unit price has fallen 44.8% to end the financial year at a bid price of 48.0p.

As reported in the Interim accounts, lamentably our Fund fell more steeply than its benchmark in its first six months of the year. It sharply underperformed the market when global equities plunged in April and May 2010 due to the Greek fiscal crisis and wider concerns over the more over-leveraged countries in Europe, and then failed to gain ground in July 2010 when fears over the dissolution of the single European currency receded, and a positive outcome from the bank stress tests in Europe boosted financials. The Fund's more consistent performance in the second half of the year was marred by a sharp drop in emerging markets, especially Asia. Share prices of financials were affected at the end of 2010 and into January 2011 as concerns over inflation were coupled with sovereign risk concerns when political unrest broke out in the Middle East and North Africa. In the past couple of months emerging market share prices have been generally recovering, especially those in Indonesia and Thailand.

By the end of 2010 it was possible to say that this was the year in which the economic recovery put itself on a firmer footing. It was not clear at the start of the year whether the global economy would remain on track, as fears remained that major developed economies would stumble back into a double dip recession. The concerns over the peripheral Euro countries and the separate bailouts of both Greece and Ireland caused severe plunges in European and, to a lesser extent, global stock markets. Concerns over the economic recovery in the US in the Autumn led to the Federal Reserve announcing a second round of quantitative easing, dubbed "QE2" in October 2010. However, by the end of 2010 the economic recovery appeared stronger and broader-based, with the German and US economic data readings, in particular, becoming increasingly positive. The more optimistic market sentiment that had been gaining ground as 2010 turned into 2011 has subsequently been overshadowed to some extent by the ongoing Middle East and North African political unrest, particularly that in Libya, and the earthquake in Japan. However, it appears that confidence is becoming more sustained in financials, and in equity markets.

Portfolio

The portfolio of investments has ended the financial year, very differently from the way it started. The Fund went into 2010 in a very cautious mode and held large amounts in cash at the start of the year, much of which was put into very short-dated corporate bonds and higher yielding equities by the middle of the year. At the year end the portfolio was largely in equities. The Fund has focused on investing in the strengthening US economy, robust emerging market economies and higher yielding financials. Figure 1 shows the movement in the security types. Figure 2 shows the geographical movements in the portfolio over the period.

The Fund has been invested in the US throughout most of the financial year, although when equity markets were very weak as a result of the Euro-area sovereign concerns from May onwards, those investments were either reverse financial index trackers or very short-dated bonds issued by US banks. Towards the end of 2010, the US economy, which had been in recovery mode, showed signs of rapid acceleration. In December 2010 unemployment fell from 9.8% to 9.4% and private consumption and business confidence improved sharply. In the portfolio the US equity investments were increased. The unemployment rate continues to fall with the latest reading being 8.8%, a positive move away from over 10% unemployment in October 2009. Personal spending power is increasing and initial estimates for GDP growth in the first quarter of 2011 are a growth of 1.8% year-on-year. House prices lag in these otherwise positive statistics. Inflation is remaining very subdued in the US and is below the government target, meaning the US is one of the few countries with no pressure to raise interest rates. Companies earnings are increasing and financial results have been strong up to both the 2010 year end and in the first quarter of 2011. In March this year the US banks announced that they would start paying uncapped dividends following authorisation from the Federal Reserve. Three of the Fund's holdings, those in Capital One, JP Morgan and Wells Fargo were positively affected by this change. At the Fund's year end a position was held in the Direxion Daily Financial 3X Bull, which was a short-term holding used to tap into the positive market sentiment over the US first quarter earnings results. This position has subsequently been sold. The other US investments are in Discover Financial Services, Affiliated Manager's Group, KKR & Co, and The Blackstone Group.

Figure 1

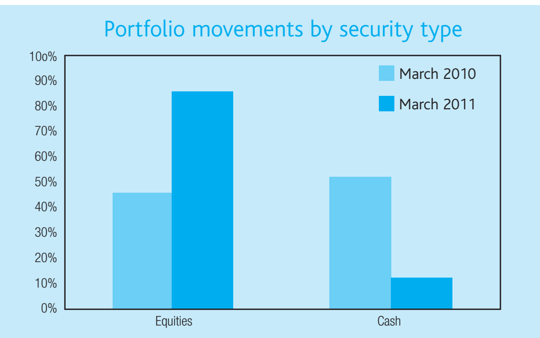
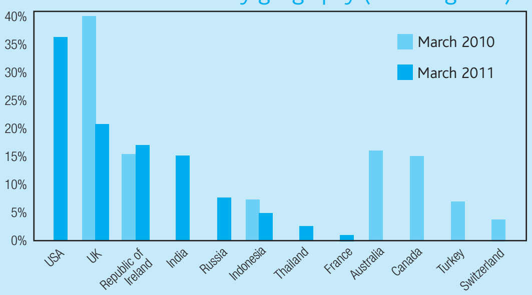


Figure 2

Portfolio movements by geography (including cash)



Whilst remaining wary of all the problems facing the UK economy, in the second half of 2010 we added primarily higher-yielding assets in the UK. The concerns over the EU and potential sovereign debt defaults were weighing most heavily on bank shares, the insurers and asset managers were less in the spotlight and looked very attractive with their high dividend yields, relative to the banks, in the low interest rate environment. The Fund ended the year with investments in Aviva, Aberdeen Asset Management and small cross-holdings in two Blue Planet Financials Trusts whose NAV values were at significant premiums to their share prices. The remaining asset in the UK was cash held in sterling.

At the year end the Fund held one investment in the Republic of Ireland – a long-term investment in Blue Planet's Global Financials Fund, listed in Dublin. This has been invested in primarily long, global over the last year and is currently focused on opportunities in the strongest economies on a worldwide basis.

At the start of the year the Fund held no investments in India, as the Indian economy struggled with high inflation and a high budget deficit. The government took steps to rein-in its previously accommodating fiscal stance, and whilst inflation remains a concern, during 2010 we reinvested in Indian banks as their financial results remained strong, and the country's under-penetrated banking sector is still attractive. The investments performed very well in the portfolio until November 2010, when India's inflation problems came to the fore again and the banking stocks share prices fell sharply. We added to Indian stocks in January and February 2011 as their prices began to recover again. At the year end investments were held in Canara Bank, LIC Housing, Dena Bank and Bank of Baroda. Since the year end, some profits have been taken on the LIC Housing holding.

The Russian economy and its financial companies are on a strong recovery path. Our smaller holdings in Russian banks were sold just before the last year end. The reason for selling them was to reduce exposure to illiquid stocks rather than to remove exposure to Russia from the portfolio. As the economic recovery in Russia deepened, we rebuilt positions in Russia, initially via its two main banks Sberbank and VTB; now just Sberbank. A very modest investment was made in a mid-sized Russian bank, Bank St Petersburg. The Russian economy reported GDP growth of 5% in the last quarter of 2010, meaning an overall growth rate of 4% in Russia in 2010. Profits at Russian banks have recovered well as this year has progressed, with scope for increasing profitability in 2011 as loan growth picks up further and loan losses continue to reduce. Our investments have performed well in the portfolio, as Russia has avoided the steep sell-offs at the end of 2010 experienced by many other emerging markets.

Your Fund first invested in Indonesian banks in July 2009 and has remained invested in Indonesian banks throughout this past year. The Indonesian economy has reported year-on-year GDP growth of 6.5% in the first quarter of 2011 and core inflation remains below 5%. The country has low levels of banking penetration and its banks are well-capitalised with prudent provisioning in place and are highly profitable. Indonesian banks continued to increase their profitability in 2010, aided by high margins and good volume growth in loans. The share prices of Indonesian banks experienced a sharp pullback at the end of 2010 and into 2011 as their valuations had risen to rather high levels. However, the solid economic backdrop in Indonesia and continuing excellent financial results have seen Bank Rakyat, in which the Fund is invested, more than recover from its from its share price falls. The Fund's investment in Krung Thai Bank in Thailand had a similar pullback at the end of 2010 and into 2011 and has similarly more than recovered from this dip following excellent first quarter results from the bank. The Fund invested in Thailand in October 2010. Thailand's economy returned to strong growth in 2010, GDP increased 7.8% year-on-year. Growth in 2011 will revert to more normal levels of between 4% and 5%. Domestic consumption is high in Thailand, the savings rate is high and loans are growing in double digits. The country's banks are enjoying volume growth and are increasing profitability. A concern does remain regarding the Thai political landscape.

The exposure to European stocks is currently very low and we expect it to remain that way whilst fiscal concerns persist in Europe and weigh on European bank's share prices. Despite the economic strength in Germany, full year 2011 GDP growth will be modest in the EU. At the year end there was one investment in a high dividend yielding, European reinsurer, Scor based in France.

The Fund held investments in Turkish banks throughout most of the last year as the country's GDP returned to strong growth and Turkish banks saw a return to 33% year-on-year loan growth. As the Turkish government started to implement its new monetary policy to stem its current account deficit, which included sharply increasing reserve requirements for the banks, we sold our investments before the Fund's year end.

Further details of the portfolio are provided in the Investment Manager's Report.

Our Warrants

The warrants expired during the Fund's financial year. The final opportunity when they could have been exercised was at the end of July 2010. This means the warrants are no longer valid, and if they had not been exercised or sold, on or prior to the end of July, they no longer have any value attached to them. On 31 July 2010 a total of 560 warrants were exercised and 5,600 ordinary shares were issued.

This means that the Fund will no longer have a "fully diluted" and an "undiluted" NAV reported for it, as there is no longer any dilution to be accounted for.

Dividend

The Directors have not declared a dividend for this year. No interim dividend was paid as, despite a higher level of income than the previous year, the return per ordinary share was negative. The story has remained the same for the full year accounts, despite income being higher than last year and administrative expenses being lower, the net return per share has remained negative.

The outlook going forward for revenue is moderate in the current low interest rate environment, although the higher yielding stocks will help boost dividend income. The Directors appreciate the importance of dividends to many shareholders and plan to resume dividend payouts as soon as it is possible to do so.

Borrowing, Gearing and Liquidity

The Fund ended the year with gearing of 47.2%. It started the year with no gearing, but as levels of investments have increased the Fund had an average gearing level of 46% from July 2010 to the year end. Generally, gearing beneficially affects the Company's NAV when the value of its investments is rising, but adversely affects it in periods when the value of investments is falling. Since the year end the gearing levels have been reduced to below 30% with the aim of reducing volatility in the Fund's NAV.

The Fund has access to a fixed £750,000, unsecured sterling loan and a multi-currency unsecured, revolving loan facility of £150,000 per trust until January 2012. Only the sterling loan, which is a fixed loan and would incur breakage fees if repaid, was drawn down at the year end. The multi-currency loan is available to be drawn as and when required.

Blue Planet Services and Price Information Sources

Shareholders can view the Company's share price and additional information about the Fund on the website of Blue Planet Investment Management Ltd (www.blueplanet.eu) and the London Stock Exchange (www.londonstockexchange.com). To find the Company's share price on the London Stock Exchange website go to the Home page and type "BPFU" in the "Price Search" field.

Blue Planet Investment Advisers Ltd offers a Blue Planet Savings Scheme via Equiniti Financial Services Limited (on behalf of Lloyds TSB) to enable lump sum investments, gifts or regular savings.

Board Changes

In September 2010 the Board was pleased to welcome Dean Bucknell as a new Non-Executive Director. Dean Bucknell is Chief Executive of Blue Planet Investment Management Ltd, the investment manager to the Company. He is also a Director of Blue Planet European Financials Investment Trust plc, Blue Planet Holdings Ltd, Blue Planet Global Financials Master Fund and Blue Planet Global Financials Fund. He replaced Kenneth Murray who resigned due to a desire to reduce his work commitments.

Outlook

The recovery in the world's largest economy, the US, is becoming firmer, as is the recovery in core Europe, and confidence indicators in both areas are increasing. The US economic recovery has been accelerating and is being led by manufacturing, as demand for exports is strong. Many emerging market economies, in particular in Asia, remain strong, although concerns have surfaced as inflation rises. The International Monetary Fund is forecasting global growth of 4.4% in 2011, with advanced economies growing 2.5% and emerging markets averaging a 6.5% growth. Emerging Asia is expected to generate about half of the global growth in GDP in 2011. Investment spending in emerging markets as they industrialise and as living standards rise is a key driver. Investment spending in emerging markets is likely to overtake investment spending by developed markets this year. Many emerging market central banks have already started raising interest rates, to normalise policy rates and curb inflation.

Within Europe fortunes are more mixed. The CIS countries, and in particular Russia, are seeing a rapid bounce back from a sharp recession induced by the global financial crisis. The Nordic economies are showing solid growth whilst Germany is forging ahead, with its exports rebounding strongly. However, the periphery EU countries remain a concern, with Portugal the latest country to require a bailout of around €80bn in April 2011, and doubts linger over the long-term willingness of the core EU countries to support its weaker members. Domestic elections cloud this issue further.

The UK economic outlook remains concerning UK GDP slid back into negative territory in the final three months of 2010 and the rebound in the first quarter of 2011, only just reversed this slide. A double dip recession in 2011 remains a possibility, as public sector jobs are cut and austerity measures reduce disposable income. High inflation readings have been pushing Sterling stronger against the major other world currencies, as hikes in interest rates are becoming more widely anticipated, but it seems to us that any increase in interest rates will probably exacerbate the weakness in the UK economy far more than it solves an inflation problem and we expect sterling to weaken again going forward as the country's economic growth forecasts are revised down further.

However the underlying trend currently is on a continuing economic recovery. Added to this company profitability is increasing. Bloomberg data shows that major, US companies increased profitability on average by 39% and European companies increased profitability by an average of 15% year-on-year in the final 3 months of 2010. The S&P500 Index in the US has seen return on equity rising for the past six quarters to 23%.

Your Company will continue to focus on countries and the financial companies within them with the best prospects for profitable growth that should drive their share prices higher as valuations remain modest. Bloomberg data shows that the S&P500 is trading on 12.2 times analysts' earnings estimates for the coming year. In the past two decades the average is 20.5 times.

Whilst bouts of nervousness will not disappear, we believe that 2011 will be a positive year for equity markets. The resolve of investors has already been tested this year by the tensions in Africa and the Middle East and not surprisingly by the earthquake in Japan and its terrible consequences for the inhabitants of the country. However these concerns appear to have receded. We would hope to move forward in the next few years to provide positive and more stable returns, as we forsee good investment opportunities in Asia, Russia and in the US in particular. We echo the broad sentiment of Warren Buffett's, that now is the time to put money to work.

Your Fund has a strong record of outperformance in years of rising markets. The Fund's benchmark has provided a positive return in 5 out of the last 10 years, and the Fund has outperformed the benchmark for 4 of those years, in some years significantly. It has also managed to provide positive returns in 2 years that its benchmark did not. It is disappointing that the one time that your Fund has significantly underperformed in a positive year for the benchmark is in the year just ended, when, in a highly volatile year for the markets, the benchmark made a marginally positive return and your Fund made very poor returns. At the AGM there will be a special resolution to vote on the continuation of the Fund. We would urge shareholders to vote in favour of this resolution, to capitalise on the opportunities available from the economic recovery, strong corporate profitability and cheap valuations to rebuild value in the Fund and allow the Fund's Managers to show again their skill in extracting additional value as markets rise again.

I thank you for your continuing support and look forward to welcoming you to the Annual General Meeting on the 4 August 2011.

Victoria Killay
Chairman
20 May 2011

Performance of Trust

% change relative to its benchmarks over the year

+0.5%

Benchmark Index
31 March 2010 — 31 March 2011

-39.9%

NAV Performance of Fund
31 March 2010 — 31 March 2011

Investment Manager's Report

Portfolio Performance Analysis

As has already been highlighted in the Chairman's Statement, the Fund's NAV fell 39.9% over the year, compared to a return of 0.5% by the Fund's benchmark index in sterling terms. The Share Unit price fell 44.8%. Markets were very weak in the first half of the Fund's financial year, but the Fund fell much more sharply than its benchmark, in particular when global equities fell in April and May 2010 due to the Euro-area sovereign crisis and was unable to recover from these losses. The Fund's improved performance in the second half of the Fund's year was halted in November 2010 when a sharp drop in emerging market, and especially Asian, financials pulled-down the NAV again. The emerging market share price falls were due to concerns over inflation and were coupled with sovereign risk concerns as political unrest broke out in the Middle East and North Africa. These concerns have lessened over the past couple of months, aided by strong financial results in many emerging markets and share prices have been generally recovering, especially those in Indonesia and Thailand.

Asset Allocation

Blue Planet Investment Management's investment process is top down. Much of our focus this year has been on analysing the economic situation and prospects for the major economies, in particular the United States, as the strength of the recovery in the US has a major impact on the rest of the world. We continue to identify countries with the strongest economic prospects and acceptable levels of political risk. The economic backdrops in these countries are assessed in detail and ranked accordingly. The listed banks and other financial institutions in the highest ranked countries are then investigated. When appropriate, capital is allocated to those banks and other financial institutions which we believe are likely to offer the best total returns over the long term. Our stock selection process involves meeting with the senior management of companies we are contemplating investing in. Where possible, we also like to meet with local Central Banks to discuss the economic policies being pursued in the countries concerned. Once we are invested in a company, we aim to meet regularly with its senior management to monitor its progress. Since the last year end we have visited financial institutions in the Czech Republic and Turkey. In addition, we had meetings in the UK with the management of many overseas financial institutions.

Geographically the US is our largest equity investment location. Earlier in 2010 when equity markets were very weak as a result of the Euro-area sovereign concerns from May onwards, those investments were either reverse financial index trackers or very short-dated bonds issued by US banks. In October 2010 the Federal Reserve announced a second round of quantative easing as it felt the US economy required further stimulus. Whether this additional stimulus was the catalyst or not, the US economy has shown a continued strengthening in its recovery. This is being led by manufacturing as demand for exports from emerging markets, in particular China, investment spending and inventory restocking are causing a rebound in activity at factories. The Fed's Senior Loan Officer survey suggests that banks have been loosening lending standards for businesses for several quarters and that business loan demand is now picking up. US companies are increasing earnings. Unemployment has now fallen back to 8.8%. Household spending is continuing to expand and there are no signs that US households are starting to increase their debt. As inflation is remaining subdued the US is under no pressure to raise interest rates.

The US banks have been rebuilding their balance sheets and financial companies are rapidly recovering profitability. During March 2011 the US banks announced that they would start paying uncapped dividends following authorisation from the Federal Reserve. This is positive for Capital One, JP Morgan and Wells Fargo in the portfolio. At the Fund's year end a position was held in the Direxion Daily Financial 3X Bull, which was a short-term holding used to tap into the positive market sentiment over the US first quarter earnings results. This position has subsequently been sold and exposure to banks has also been reduced. The other US investments are in Discover Financial Services, Affiliated Manager's Group, KKR & Co, and The Blackstone Group.

The UK has not been a significant area of investment for the Fund for quite some time due to its weak economic positioning. We retain a negative view of the UK economy going forward. The contraction of 0.5% in GDP in the final three months of 2010 was disappointing and initial estimates are that GDP in the first quarter of 2011 are for a very modest growth of 0.5%. The office for Budget Responsibility has already started cutting its forecast for growth in the UK in 2011. Its forecast is now for a growth rate of 1.7%, compared to its previous estimate of 2.1%. We believe this is still optimistic. Despite this, from the middle of 2010 onwards we have included a small number of positions in the UK in higher-yielding stocks. Whilst the UK and continental European bank's share prices were being buffeted by the concerns over the state of the Euro area periphery countries, the insurers and other financial stocks were less exposed to the turbulence. In the prevailing low interest rate environment the higher yielding stocks looked very attractive. The Fund has holdings in Aviva and a holding in Aberdeen Asset Management. Both have performed well in the portfolio. The remaining holdings in the UK are sterling cash holdings.

The Fund's third largest geographic exposure is listed as Ireland. This is because the Fund is invested in the Blue Planet's Global Financials Fund, listed in Dublin. The Global Financials Fund has been invested in global, long and short equities and fixed income over the last year. It is currently focused on opportunities in the strongest economies on a worldwide basis. Shorts have been held within Europe, whilst key areas for long investments are the US, Asia, Russia and Latin America.

Investments in India were added back into the portfolio during the year. The Indian government, like many other countries, had seen its fiscal deficit rise, as it had provided stimulus measures to support the economy through a weak patch in 2009. The investments in Indian banks had been sold before the end of the last financial year as India's budget deficit reached a 16-year high and the reserve bank of India started to tighten monetary policy and raise reserve ratios for banks. It was feared that this would cause a sharp spike in bad loans, as had been seen in Russia. However, although bad loans increased, they remained at very manageable levels and Indian banks continued to grow their profitability as loan demand remained robust. The Indian economy continues to grow strongly. The latest GDP growth figure for the quarter to the end of December 2010 was 8.2%. Investment spending in India is increasing, in 2010 investment spending in India was higher than that in Germany. Inflation remains stubbornly high, and concerns over inflation led to a sharp pullback in the Indian stock market at the end of 2010 and into 2011. However, loan growth remains very robust in India, currently in 2011 loans are increasing 22% year-on-year. The valuations of all but the largest Indian banks remain very attractive, and the banks results to March 2011 have been very solid. At the year end investments were held in Canara Bank, LIC Housing, Dena Bank and Bank of Baroda.

At the last year end we reported that investments in illiquid Russian banks had been sold, after Russian banks share prices made a substantial recovery as their outlook brightened considerably. The Fund is now focused on primarily the larger Russian banks. In 2009 bad debts at the banks soared and profits were largely eaten up by provisioning. The smaller banks in Russia suffered the most and this has led to a shake-up in the Russian banking sector, with 100 less banks in operation now compared to pre-crisis. The major banks in the country have strengthened their positions and have seen profits picking up in 2010. This recovery should accelerate in 2011, as demand for loans increases, margins stabilise and provisions for bad loans are lower. High inflation in the country remains a concern, inflation has risen to 9.6% in January 2011 and the Russian Central Bank has raised interest rates and has made steps towards returning bank's reserve requirement rates to pre-crisis levels. However banking penetration in Russia is low and as disposable income increases, retail lending should see strong growth. The Fund holds positions in Russia's largest banks, Sberbank and also held a small position in Bank St Petersburg at the year end.

The Fund has held investments in Indonesia throughout the year. At the year end the level of investment had been reduced slightly from the start of the year, with a single investment in PT Bank Rakyat Indonesia. The Indonesian economy remained strong through the global economic crisis and followed its 4.6% GDP growth in 2009, with a further growth of 6.1% in 2010. Forecasts are for the country to continue its growth momentum as private consumption and investment spending remain strong, and first quarter 2011 GDP growth was 6.5%. Core inflation has been creeping up to the 5% level and the bank has raised interest rates this year to 6.75%. Indonesian banks are well capitalised and, with the Asian crisis as part of the country's past, the banks hold high levels of provisions. Like in India, loan growth of over 20% is expected in 2011, particularly as the central bank is encouraging loan growth by making holding excessive liquidity more costly for banks via reserve requirements. Consumer loan penetration is even lower than in India at 8.9% of GDP at the end of 2010. We anticipate another year of strong profitability for Indonesian banks in 2011.

In October 2010 the Fund invested in Thailand for the first time. Exports account for more than 60% of Thailand's GDP, which means the global economic slowdown created a tough time for Thailand's economy and its GDP contracted 2.3% in 2009. However the country bounced back strongly in 2010 as the government used its years of fiscal prudence to provide a comprehensive stimulus package. The country is predicted to

Top 10 Investments at a glance

at year end

Pos.	Company	% of portfolio
1	Blue Planet	16.4
2	SBERBANK	6.2
3	direxionshares Think direction. Trade.	5.3
4	Capital One	5.2
5	AVIVA	5.0
6	Canara Bank	4.9
7	LIC Housing Finance Ltd.	4.6
8	BANK BRI Melayani Dengan Setulus Hati	4.5
9	JP Morgan Chase	4.4
10	Discover Financial Services	4.0

continue to grow GDP in the 4% to 5% range in the next few years. Loan growth was 11.4% in the last quarter of 2010, and in this country where GDP per capita is increasing in double digits, domestic consumption is high and consumer loans are modest at 22.3% of GDP, the banks anticipate many years of profitable growth.

Investments in Europe have remained at low levels this year. This year the viability of the single European currency, the Euro, has been a recurring theme. The periphery Euro area countries have been experiencing economic difficulties following the global economic recession. In early 2010 concerns had centred on Greece, which had an unsustainable large fiscal deficit. Greece was forced to accept a €110bn bailout package. In November it was Ireland that was in the spotlight, as its banking sector continued to struggle with increasing amounts of bad debt. By the end of the month Ireland had accepted an €85bn aid package, including €10bn for immediate bank recapitalisations. The most recent to accept a bailout was Portugal, who were offered an approximately €80bn package at the start of April 2011. Concerns that one or more of these countries will either default, or need to restructure, their sovereign debt remains elevated. All of this has had a significant impact on mainland European banks, which have a great deal of cross-border exposure in Europe. The only European stock currently held is SCOR, a French-based reinsurer with a good dividend yield.

The Fund has held investments in Turkish banks throughout most of the last year and Turkish banks share prices performed strongly through into the autumn of 2010, as GDP growth continued to bounce back from its 2009 lows. However towards the end of 2010 as inflation rose and the Turkish current account deficit widened significantly, Turkish equities joined in a wider emerging market equity sell-off. The Turkish government implemented an unorthodox monetary policy of reducing interest rates to weaken the Turkish Lira in order to stem its current account deficit, and sharply increasing reserve requirements for the banks to put a break on loan growth and thereby subdue inflation. These measures will adversely affect the profitability of Turkish banks in 2011, and we sold our investments.

Currency

The Fund is exposed to a range of currencies. The table below shows the percentage of the portfolio holdings in each currency and how those currencies have performed against the pound over the period in which the investments have been held in the Trust during the financial year.

Currency	% of total portfolio in currency	Appreciation/depreciation against £ for the length of time the currency has been held in the portfolio
US Dollar	34.9%	-5.2%
Euro	17.2%	-0.8%
Indian Rupee	14.5%	+2.5%
Russian Rouble	7.2%	+5.0%
Indonesian Rupiah	4.5%	-1.4%
Thai Baht	2.1%	-1.9%

The positive currency movements had a beneficial impact on our performance. The negative currency movements reduce the share price return when translated into sterling. The Fund's largest exposure is to the US Dollar, which has recently been weak against sterling. The Euro has had a very volatile year, but has recently been strengthening again against sterling. Persistently high inflation in the UK has led to speculation that the UK central bank will raise interest rates soon, which has led to an appreciation in sterling against many other currencies. However, we expect the weak macro economic data in the UK to override the expectations of a modest rise in interest rates and would expect to see sterling weakening again in 2011.

Risk

Market risk arises mainly from the uncertainty regarding the future price performance of equities held by your Company. This risk is magnified when gearing is used and due to the fact that the company is invested in a single industry sector. Being invested in a single sector exposes the Fund to the risk that the Financial Sector will underperform relative to other sectors of the market, and this last year this sector did underperform several other sectors. Gearing the Fund via loans also means that interest-rate risks arise. These risk factors are beyond the control of the Company.

In mitigation of these risks the financials sector in which we are invested is the largest sector within the Bloomberg Worldwide Index. Banks play a crucial and central role in free market economies; a role that will underpin the prosperity of the banking sector as a whole over time. The prices of the individual securities invested in are monitored on a daily basis and the Board, which meets quarterly, imposes borrowing limits to ensure gearing levels are appropriate to market conditions. When gearing is employed the potential impact of changes to interest rates is taken into consideration. The securities dealt in are all listed on recognised exchanges and are readily realisable.

The Fund is exposed to currency risk, due to the range of currencies in which investments are held. The largest risk is in the US dollar at the year end. Currency risk is a risk that can partially be controlled by employing appropriate hedging strategies. The Company currently has a multi-currency loan facility and our borrowings can be used as a "natural" hedge against investments in the matching currency. In addition hedging is considered on a case-by-case basis. The fund manager has been tracking currency movements on a daily basis in the current volatile environment.

Where investments are made in emerging markets there is a risk of higher volatility in the price performance of these equities and their associated currencies. Political risk and adverse economic circumstances are more likely to arise, putting the value of the investment at a higher risk. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so operational risks of investing are higher.

Credit risk arises from the exposure to non-delivery of an investment that has been purchased. The Company only buys and sells investment through brokers approved by Blue Planet Investment Management and so considers this risk is adequately controlled.

A full analysis of all the risks is provided in Note 18 to the Accounts.

Factors Affecting the Company Going Forward

A number of momentous events in the first few months of 2011, two major natural disasters due to earthquakes, in New Zealand and Japan, and political unrest in the Middle East and North Africa region, caused an immediate reduction in the risk appetite of investors. Longer lasting impacts of these events could affect both the economies of the countries concerned and the wider economic outlook.

A continuation of the recovery from the global economic recession should have a positive impact on equity markets, whereas a stalling or reversal of the recovery will have a negative impact on equity markets. Both events could have a significant impact on the Company. The balance is currently towards a continuation of the recovery. The pace of the recovery, both globally, or in the particular countries, or regions, in which we are invested, will affect the stock markets and exchange rates within those countries.

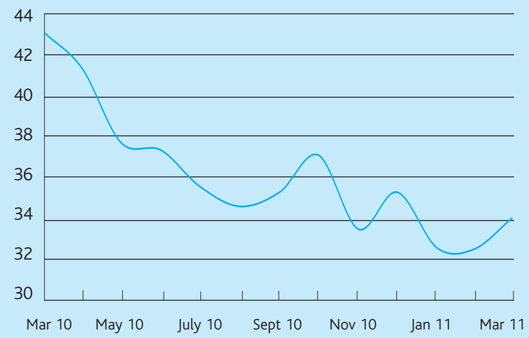
The improvement in company profitability, in particular in major economies like the US, providing it remains on course, is likely to be positive for the performance of the financial sector, which will benefit the Company.

Review of the Top 10 Investments at year end

Key statistics relating to this investment are given below:

For the period:	6 months ended June 2010	Year ended Dec 2009	Change
Total Assets	€ 9.5m	€ 10.1m	-5.9%
Net Profit/Loss after Taxation	€ -0.6m	€ 1.4m	n/a
Net Asset Value per Share (Class A Euro shares)	€ 45.597	€ 48.633	-6.2%

Blue Planet Global Financials Fund A (NAV Performance, £)



1. Blue Planet Global Financials Fund

The Blue Planet Global Financials Fund ("BP Global") is an open-ended Cayman Islands exempted company. The Company is listed on the Irish Stock Exchange and has been in existence for five years. Its objective is to achieve a high level of capital growth by taking long and/or short positions in securities issued by or relating to banks and other financial institutions on a worldwide basis. Shares are available denominated in Euros and US dollars. Your Company is invested in the Class A Euro shares.

BP Global's most recent published financial results are for the six months to 30 June 2010. In these results a 6.2% fall in the fund's NAV was reported. Subsequently the NAV for the Class A shares has fallen 10.1% to its latest published figure for 31 December 2010. The fund has been invested in long and short financial equities and bonds on a global basis during 2010. It has focused on both developed and emerging markets during the past year and key themes this year have been stocks in the US, Asia-Pacific and Latin America.

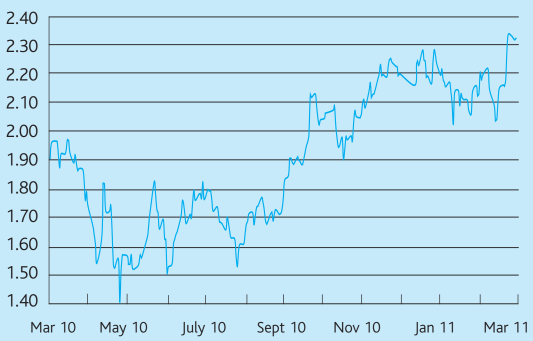
Blue Planet Investment Management Ltd receives a fee of 0.125% of the monthly NAV of the Blue Planet Global Financials Fund and the investment we hold represents 43% of the total investments in the Blue Planet Global Financials Fund.

Your Company has been invested in this fund since its launch. Its total return in sterling over the 12 month period is -21%.

Key statistics relating to this investment are given below:

For the year ended 31 December:	2010	2009	Change
Total Assets	Rub 8,629bn	Rub 7,105bn	+21.4%
Cost : Income Ratio	42.4%	35.4%	+7.0pp
Net Profit after Taxation	Rub 181.6bn	Rub 24.4m	+644.3%
Earnings per Share	Rub 8.42	Rub 1.10	+665.5%
Dividends per Share	Rub 0.92	Rub 0.08	+1050.0%
Dividend Cover	9.2x	13.8x	–
Return on Equity	20.6%	3.2%	+17.4pp

Sberbank (NAV Performance, £)



2. Sberbank of Russia

Sberbank is the largest bank in Russia, with about 27% of the entire Russian banking assets. It was established in 1841 and has grown to become the largest deposit taker in the country with a market share of 48% in retail deposits. It also accounts for over 30% of both retail and corporate loans. The Central Bank of Russia owns just over 60% of Sberbank's share capital.

The bank is focusing on upgrading its processes and technology to increase efficiency and profitability. It has made some expansion steps outside Russia, notably in CIS and in China. With banking penetration in Russia remaining very low, mortgages are only 3% of GDP in Russia, compared to around 40% in Europe, the bank's dominant market share make it well positioned to capitalise on the growth in banking services in Russia.

Sberbank have had a very strong final quarter of 2010, which has enabled the company to report net profit for 2010 as a whole which is over seven times the level of profits in 2009. Financial performance in 2009 was muted at Sberbank. Net customer loans fell in 2009 and non-performing loans rose sharply, as Russia suffered from high unemployment and weak corporate profitability, following the global economic slowdown that hit Russia hard. In 2010 Sberbank has increased its loan portfolio by nearly 13%, with deposits growing 22% in the year. Non-performing loans have fallen and the bank has again reported a return on equity of over 20%. In 2011 the bank should continue to see good loan growth which will drive revenue growth. There are plans for the bank to issue global depositary receipts so it will become listed on overseas exchanges, making access to its shares easier for international investors, as well as indications from the Russian Central Bank that it will reduce its stake in Sberbank to just over 50%.

We bought this stock in September 2010 and since that time it has provided a total return in sterling terms of 34%.

3. Direxion Daily Financial Bull 3X

The Direxion Daily Financial Bull 3X ETF seeks daily investment results, before fees and expenses, of 300% of the price performance of the Russell 1000 Financial Services Index. The Russell 1000 Financial Services Index is a subset of the Russell 1000 Index that measures the performance of the securities classified in the financial services sector of the large cap US equity market. As of 31 March 2011, the index had an average market capitalisation of over $13.12 billion dollars and a median market capitalisation of $4.60 billion dollars. As one cannot directly invest in an index this, and similar products, provide an alternative means of gaining exposure to the index performance as a whole.

Direxion Funds and Direxion Shares are managed by the private company Rafferty Asset Management, LLC. Direxion offer a range of leveraged index funds, ETFs and alternative-class fund products for investment advisors and sophisticated investors who seek to effectively manage risk and return in both bull and bear markets. Founded in 1997, the company has approximately $7.5 billion in assets under management as of the end of December 2010.

We bought and sold this stock in September 2010 at a profit. It was purchased again in January 2011. The size of the holding was adjusted several times, but the return from the initial purchase date was 1% at the year end, with the return in sterling terms being muted by the strength of sterling versus the US dollar.

Direxion Daily Financial Bull 3X Shares (Price Performance, £)

4. Capital One Financial Corporation

Capital One Financial Corporation ("Capital One") is headquartered in McLean, Virginia. It was founded in 1988 and had an initial public offering in 1994. Capital One is one of the America's largest consumer franchises with approximately 45 million customer accounts and offers a broad array of financial products and services to consumers, small businesses and commercial clients in the US, Canada and the UK, specialising in credit cards, personal banking and loans. Over the year the company has been transforming into a bank and now reports the results of its business through three operating segments: Credit Card, Commercial Banking and Consumer Banking.

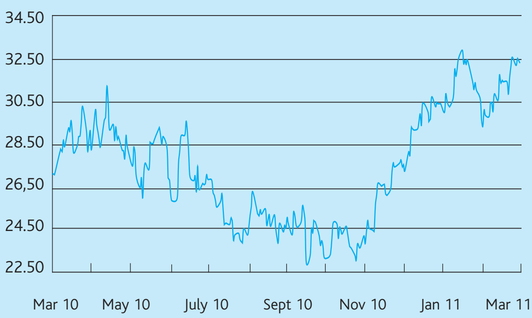
Following the recession the company had seen its loan book shrink as American's reduced the balances on their credit cards and paid down their debts and as Capital One tightened their underwriting standards. Charge offs and bad loans increased, but the company remained profitable through 2009. In 2010 bad debts were improving and the company saw a 7.5-fold increase in profits year-on-year. The recovery in the US economy should result in a return to loan growth and the company has already reported strong results for the first quarter of 2011. Net income improved 60% from a year previously and 46% from the final quarter of 2010. The superior results were driven by positive credit trends and strong revenues, both of which should continue through 2011.

We have held this investment since the start of September 2010 and in its seven months in the portfolio it has made a return of 9% in sterling terms.

Key statistics relating to this investment are given below:

For the year ended 30 December	2010	2009	Change
Total Assets	$ 198bn	$ 170bn	+16.5%
Cost: Income Ratio	49.1%	43.4%	+5.7pp
Net Profit after Taxation	$ 2,743m	$ 320m	+757.2%
Earnings per Share	$ 6.01	$ 0.74	+712.2%
Dividends per Share	$ 0.2	$ 0.53	-61.9%
Dividend Cover	30.1x	1.4x	–
Return on Equity	12.2%	3.7%	+8.5pp

Capital One Financial Corp (Price Performance, £)



5. Aviva Plc

Key statistics relating to this investment are given below:

For the year ended 31 December:	2010	2009	Change
Total Assets	£ 370.1bn	£ 354.4bn	+4.4%
Net Profit after Taxation	£ 1,463m	£ 1,085m	+34.8%
Earnings per Share	49.6p	37.5p	+32.3%
Dividends per Share	25.5p	24.0p	6.25%
Dividend Cover	1.9x	1.6x	–
Return on Equity	14.8%	10.9%	+3.9pp

Aviva Plc (Price Performance, £)

The group has been known as Aviva since July 2002. It was created by the merger of CGU and Norwich Union in May 2000. Through its founder companies, Aviva can trace its history back for more than 300 years. Aviva is now the world's sixth largest insurance group and the UK's largest insurer, with over 53 million customers worldwide. Its major markets are Europe, the UK and North America with a small presence in Asia Pacific. Aviva's main business is life insurance and in terms of operating profits the split is almost 70/30 between life insurance and general insurance. It also has an asset management division.

Aviva has been strengthening its capital position. In 2009 it cut its dividend, made asset disposals and introduced new hybrid capital. The company rebounded in 2009 from a loss in 2008. In 2010 it increased its IFRS profits further, with an increase of 35% year-on-year. It raised its dividend by over 6% on the basis of its 2010 financial results. The company's Net Asset Value grew 21% under IFRS accounting rules, capital generation was very strong at £1.7bn in the year and the company cut costs. It also put money into its pension fund and closed the deficit that had previously existed. The company retains a positive outlook for 2011 and intends to continue to generate high levels of operational capital, continue to cut costs and increase levels of profitability within its Life division.

The company has not made any recent comments on whether it is considering further asset disposals. In 2010 RSA Insurance made a £5bn cash offer to Aviva for its general insurance businesses in the UK, Canada & Ireland, leaving Aviva to focus on life insurance. Aviva's directors have rejected it unanimously as they say it is not in their shareholder interests.

We bought this investment in July 2010 and sold it in October 2010 at a profit. We repurchased a holding in January 2011 and since this time the stock has provided a total return of 6% in sterling terms.

6. Canara Bank

Key statistics relating to this investment are given below:

For the year ended 31 March:	2011	2010	Change
Total Assets	Rs 3,361bn	Rs 2,647bn	+27.0%
Profits after Taxation	Rs 40.3bn	Rs 30.2bn	+33.4%
Earnings per Share	Rs 97.83	Rs 73.69	+32.8%
Dividends per Share	TBD	Rs 10	n/a
Dividend Cover	TBD	7.4x	–
Return on Equity	26.4%	26.8%	-0.4pp

Canara Bank (Price Performance, £)

Canara was founded in 1906 and was incorporated as Canara Bank in 1910. It was nationalised in 1969 along with 14 other major banks in India and did not have a public holding in its shares until 2002 when an initial IPO was launched. The government now hold 67.7% of the bank's equity. The bank has its headquarters in Bangalore and has over 3,000 branches following a major branch expansion programme in 2010 which saw the bank opening 211 new domestic branches. Canara Bank is one of the top five banks in India with a nearly 5% share of loans and deposits.

Loan penetration is low in India. Business loans-to-GDP stood at 41.7% at the end of 2010 and consumer loans-to-GDP were at 9.7%. This provides a great deal of scope for sustained loan growth. In its full year results to March 2011 Canara Bank saw both loan and deposit growth of over 25%, with retail lending growing at 32% and strong growth in the corporate sector. In the most recent quarter business loans grew 21% quarter-on-quarter.

The bank plans a further 250 new branches over the next year to boost retail deposits and loans and anticipates it will achieve loan growth of over 25% again in its financial year to March 2012. Canara Bank has one of the highest ROE ratios of the public sector banks in India and forsees further profitable business growth over the next few years.

We purchased stock in P-note form in October 2010, and added to the holding when the Fund was able to invest directly into Indian stocks in February 2010. Due to the weakness of Indian stocks at the end of 2010, the total return for the portion of the stock held since October is -17.5%. We would expect the share price to continue to recover in 2011.

7. LIC Housing Finance Ltd

LIC Housing Finance Ltd. ("LIC") is the second largest Housing Finance Company in India and was incorporated in 1989. It has over 1 million customers served through its 180 plus marketing offices by nearly 14,000 agents. Loans to retail customers make up around 90% of the loan book, with the remaining 10% of loans being to large scale customers such as developers. The company is primarily a wholesale funded institution. LIC can take deposits, but this currently provides less than 1% of its funding.

Mortgage penetration in India is very low, which in itself supports demand. However the population growth in India and urbanisation, along with an increase in consumer's affordability levels provide an additional boost to housing finance demand. LIC estimate that housing stock will grow by 17% over the next 5 years and that urbanisation will continue, with the urban population expected to account for 32% of the population by 2015. LIC has been focusing on increasing the average size of its loans, as larger loans have improved credit performance. Now, 62% of the company's loans are originated in the larger cities in India.

A bribery scandal involving the chairman of LIC Housing caused a sharp drop in the company's share price in November 2010. The Chairman was quickly replaced, and the last 2 financial quarter's results have not been adversely affected by this incident. In the full year to March 2011 LIC increased margins, improved credit quality and increased its loan book by 34%. This led to a 38% increase in consolidated profits year-on-year.

The stock was purchased in January 2011 in anticipation of a recovery from the stocks steep share price falls and more stock was added at the start if February when it became possible for the Fund to hold the direct stock in the Indian market. By the year end the stock had made a total return of 19% in sterling terms since the initial purchase date. It has subsequently been reduced in size to lock in some profits.

LIC Housing Finance Ltd.

Key statistics relating to this investment are given below:

For the year ended 31 March:	2011	2010	Change
Total Assets	Rs 494bn	Rs 382bn	+29.3%
Profits after Taxation	Rs 9,519m	Rs 6,888m	+38.2%
Earnings per Share	Rs 20.05	Rs 15.28	+31.2%
Dividends per Share	Rs 3.50	Rs 3.00	+16.7%
Dividend Cover	5.9x	4.9x	-
Return on Equity	25.8%	19.5%	+6.3pp

LIC Housing Finance Ltd (Price Performance, £)

8. PT Bank Rakyat Indonesia (Persero) Tbk

Bank Rakyat Indonesia (Persero) Tbk ("BRI") is the oldest bank in Indonesia and was founded in 1895. It has served the micro finance segment for over 100 years and now has around 25 million customers. The government is the majority shareholder in Bank Rakyat Indonesia with a 57% stake in the bank. It is the second largest bank in terms of loans and has a 12% market share in terms of deposits. The bank has by far the most extensive network of branches, sub-branches and units, with offices located in every province of Indonesia.

The bank was resilient through the 1997 Asian financial crisis, but suffered through its large US dollar loan book and the government recapitalised the bank in 2000 using government recapitalisation bonds. The management in the company was changed. The Bank had a 3.8bn initial public offering in October 2003 and much of the proceeds were spent on introducing the latest IT systems to the bank.

BRI benefits from very high margins from its high proportion of micro finance business (31% of its loan book at the end of 2010). Margins at the bank were almost 10% in its most recent quarterly results. The bank reported a 57% increase in profits in 2010, with loans growing 20% and deposits rising 29%. An accounting change applied to the accrual of net interest income boosted what were already very strong financial results for the year. In its most recent results to the 31 March 2011 the bank reported a 52% year-on-year increase in profits, as loans grew 21%, in-line with the bank's target for a 22% growth in loans in 2011, and return on equity remained very high at nearly 38%.

This stock has been held in the portfolio throughout the Fund's financial year, although the size of the holding has been adjusted several times. The portion of the holding held for the full year has made a 40% return in sterling terms.

BANK BRI
Melayani Dengan Setulus Hati

Key statistics relating to this investment are given below:

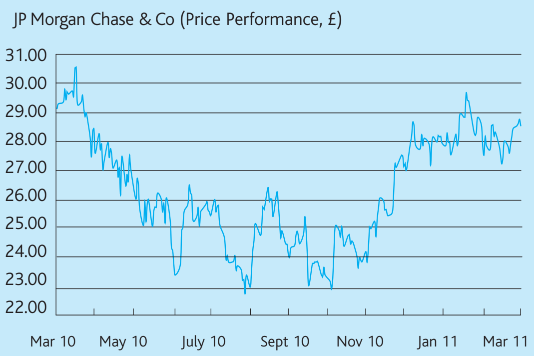
For the year ended 31 December:	2010	2009	Change
Total Assets	IDR 398,393bn	IDR 314,746bn	+26.6%
Cost: Income Ratio	42.2%	46.8%	-4.6%
Net Profit after Taxation	IDR 11,472bn	IDR 7,308bn	+57.0%
Earnings per Share	IDR 956.7	IDR 609.5	+57.0%
Dividends per Share	IDR 141	IDR 89	+58.4%
Dividend Cover	6.8x	2.9x	-
Return on Equity	43.8%	35.2%	+8.6pp

PT Bank Rakyat Indonesia Persero Tbk (Price Performance, £)

JP Morgan Chase

Key statistics relating to this investment are given below:

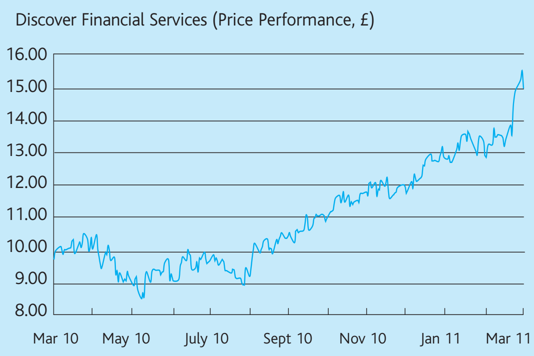
For the year ended 31 December:	2010	2009	Change
Total Assets	$ 2,118bn	$ 2,032bn	+4.2%
Net Profit after Taxation	$ 17.4bn	$ 11.7bn	+48.7%
Earnings per Share	$ 3.96	$ 2.26	+75.2%
Dividends per Share	$ 0.20	$ 0.20	+0%
Dividend Cover	19.8x	11.3x	–
Return on Equity	10.0%	6.0%	+4.0pp



Discover Financial Services

Key statistics relating to this investment are given below:

For the year ended 30 November:	2010	2009	Change
Total Assets	$60.8bn	$ 46.0bn	+32.2%
Profits after Taxation	$ 668bn	$ 1,207bn	-44.7%
Earnings per Share	$ 1.22	$ 2.38	-48.7%
Dividends per Share	$ 0.08	$ 0.12	-33.3%
Dividend Cover	–	–	–
Return on Equity	12.0%	17.0%	-4.0pp



9. JP Morgan Chase & Co

JP Morgan Chase & Co ("JP Morgan") is a global financial services firm, headquartered in New York, with assets of $2 trillion. It operates in more than 60 countries and has over 200,000 employees. It has grown both organically and by acquisition. JP Morgan weathered the financial turbulence in 2008 better than many of its US banking counterparts and this led to it making two major acquisitions in 2008. It bought Bear Stearns (The 5th largest US investment bank at that time) and Washington Mutual after Washington Mutual's assets were seized by the FDIC due to the bank's failure. JP Morgan issued $11.5bn of common stock to support the purchase. The addition of the Washington Mutual assets expanded the Chase consumer network to become the 2nd largest branch network in the US, serving over 42% of the US population.

JP Morgan increased profits almost 50% year-on-year in 2010 as its level of profitability begins to normalise. In 2010 its investment bank remained resilient, both its commercial banking and asset management divisions reported record revenues and card services volumes increased. Whilst its retail division increased current accounts by more than 1.5 million and bad debts fell, consumer lending remained weak.

JP Morgan's most recent results for the first quarter of 2011 confirmed a continuation of its strengthening financial results. Its investment banking division reported good profits and credit cards had positive revenue growth and lower charge-offs. JP Morgan's shares remain modestly valued, despite its recent financial results and strong capital position.

The stock was bought in January 2011 and in its short time in the portfolio to the year end provided a total return of 1% in sterling terms. This stock was sold after the Fund's year end as we sought to reduce the high level of exposure to the US once the share price impetus from the first quarter results had run its course.

10. Discover Financial Services

Discover Financial Services ("DFS") is a direct banking and payment services company formed in 1986. The company has become one of the largest card issuers in the United States with $45bn in loans and owns the PULSE network which is one of the US's leading ATM/debit networks. The company acquired The Student Loan Corporation in December 2010. The company is primarily focused on the US and has over 10,000 employees.

Credit card loans at the company remained stable in 2010, despite the deleveraging of the US consumers, which meant the company gained market share. In response to the difficulty of raising funding during the sub-prime mortgage crisis, DFS has increased its direct banking deposits, making this their largest single source of funding, meeting about 40% of their funding requirements. The payment services business division performed well in 2010. The 2010 net income was below that in 2009 as the 2009 results were boosted by a $1.2bn payment after tax related to the Visa/Mastercard antitrust litigation settlement.

The company plans to grow further its direct banking offerings, expand its US card business and continue to build a global payments network, including payments via mobiles. As with Capital One, the company expect that the improving economic outlook in the US will drive a growth in credit card loans in the second half of 2011. The company's results for the first quarter of 2011 were strong as charge-offs fell and the company booked a reserve release. Its robust capital position allowed DFS to put its dividend per share back to pre-crisis levels.

This stock was purchased in January 2011 and in its short time in the portfolio has provided a total return of 16% in sterling terms.

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Transactions

Over the year, sales of investments realised £9.6m and purchases totalled £10.5m.

By order of the Board

Blue Planet Investment Management Ltd
20 May 2011

From left to right
Victoria Killay, Glenn Cooper and Dean Bucknell

Board of Directors

Victoria Wendy Killay, aged 53, has over 29 years' experience in financial markets. Ms Killay trained as a Financial Analyst with Merrill Lynch and Schroder Investment Management Ltd in London before joining IDS, a subsidiary of American Express, where she became a Fund Manager with special responsibility for Continental European stock markets and the United Kingdom. She was also Director of Marketing for CDC Investment Management Ltd, a UK based subsidiary of La Caisse des Depots et Consignations, one of France's largest and most respected financial institutions. For the last decade, Ms Killay has been working as a consultant for a number of institutions in the financial sector, and was Chairman of Blue Planet European Financials Investment Trust plc until 31 March 2005. She has been a Director of the Company since its inception in 1996 and became its Chairman on 31 March 2005.

Glenn Cooper, aged 67, has been a non-executive director of a number of listed companies both in the UK and the USA. He has had a long corporate finance career, starting in the City of London with Grieveson Grant (now Dresdner Kleinwort), then with Hoare & Co, Oppenheimer & Co and E.F.Hutton. Until 1993 he was deputy chairman and head of corporate finance of Henry Ansbacher & Co, a medium size merchant bank quoted on The London Stock Exchange, transacting between 25 and 30 public company transactions per annum. He then jointed Apax Partners Corporate Finance (now known as Altium Capital), where he was appointed Managing Director. He has led and supervised a large number of transactions mostly in the U.K. but including some U.S., Continental European and Australian both in public and private companies. These transactions have included both hostile and recommended offers, conventional mergers, rights issues and other fundraisings, reconstructions, recapitalisations and floatation's both on AIM and the main list. He is perhaps best known as a result of his leading the team which floated Manchester United football club. He has been a Director of the Company since October 2009.

Dean Bucknell, aged 35, is the Chairman and Chief Executive of Blue Planet Investment Management Ltd. He is also a Director of the European Income Trusts plc, Blue Planet Holdings Ltd and Blue Planet Global Financials Fund. He is a graduate of Edinburgh University and has a BEng with Honours in Civil Engineering. He is the Honorary Treasurer for the Anglican Chaplaincy in Malta & Gozo and was a Trustee and Honorary Treasurer for the English speaking Union (Scotland) for two years, prior to his move to Malta. He joined the Board on 7 September 2010.

Victoria Killay and Glenn Cooper are members of the Audit and Management Engagement Committee which is chaired by Glenn Cooper.

The Investment Manager

Blue Planet Investment Management Ltd is a Malta based investment management company. It is a totally independent, well respected and innovative firm which specialises in managing investments in financial companies. Its corporate philosophy is that consistent out-performance is more likely to be achieved by specialisation than it is from the generalist approach, which currently prevails across most of the fund management industry.

Stock markets comprise of many sectors and at any point in time a number of these sectors will be in economic decline and will produce below average returns to investors. The financial sector is not immune to these cycles. However, financial companies, and in particular banks, play a crucial and central role in free market economies. Money transmission is perhaps the single most important function performed in any free market economy and it is the banks' dominance of this function that gives them tremendous economic muscle. This role will ensure that banks endure whilst other sectors come and go. Blue Planet believes that investors should only invest in those sectors that have superior long-term economic prospects and, crucially, which are undervalued. It believes that the world's financial sector is one such sector.

By focusing on only one sector Blue Planet believes that it is able to develop a level of expertise and understanding of that sector that generalist fund managers cannot.

In addition to Blue Planet Financials Growth and Income Investment Trusts No 1-10 plc, Blue Planet Investment Management Ltd also manages the Blue Planet European Financials Investment Trust plc, the Blue Planet Worldwide Financials Investment Trust plc and the Blue Planet Global Financials Fund. Details of the Blue Planet Saving Scheme and Investment Trusts may be obtained from the Fund Administrators and Company Secretary, Blue Planet Investment Advisers Ltd, Greenside House, 25 Greenside Place, Edinburgh, EH1 3AA (Tel no: +44 131 466 6666) email: info@bpia.eu, website http://www.bpia.eu.

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Website Information

Please take the time to visit our website:

www.blueplanet.eu

Subscribe to our monthly fact sheet service:

http://www.blueplanet.eu/blueplanet_downloads.136.html

To download historical Annual and Interim reports and past monthly fund fact sheets:

http://www.blueplanet.eu/blueplanet_downloads.124.html

To view stock market RIS announcements:

http://www.blueplanet.eu/blueplanet_news.8.html

Financial Record highlights

Investment Income	£
2011	38,757
2010	34,137

Net Return available for distribution	£
2011	(36,515)
2010	(52,513)

Earnings per ordinary share	p
2011	(0.27)
2010	(0.38)

Total Dividend per ordinary share	p
2011	nil
2010	nil

Net Asset Valuation per ordinary share	p
2011	7.83
2010	13.03

Directors' Report

The Directors have pleasure in submitting to shareholders the Report and Accounts of the Company for the year to 31 March 2011.

Revenue return

Income from investments and bank interest have increased by 14% in the year to £38,757 (2010 – £34,137). In addition the decrease in the Company's assets caused management fees to decrease by 23%. As a result net return available for ordinary shareholders was £(36,515) (2010 – £(52,513)) representing a return per ordinary share of (0.27)p (2010 – (0.38)p).

Dividend

No interim dividend was declared and no final dividend is proposed (2010 - nil)

Balance Sheet and Net Asset Valuation

The valuation of investments at bid prices on 31 March 2011 was £1,618,188 (2010 - £1,219,051), an increase of 33%, while cash held decreased by 82% to £245,084 (2010 - £1,385,259). Ordinary shareholders' funds amounted to £1,069,534 (2010 - £1,780,264) giving a basic net asset value of 7.83p (2010 – 13.03p) per share, a decrease of 40%.

Business Review

Information that fulfils the requirements of the business review can be found in addition in the Financial Record and Key Performance Indicators on page 2 and in the Investment Manager's Report on pages 8 to 17, which are incorporated in this report by reference. As the Company has no employees other than the Directors or independent business premises or location, no information is given on environmental matters, employees or social and community issues.

Principal Activity and Status

The business of the Company is that of an investment company within the meaning of Sections 833 and 834 of the Companies Act 2006. The Company qualifies as an investment trust within the meaning of the Corporation Tax Act 2010. The Company has directed its affairs so as to enable it to continue to satisfy the conditions required to qualify as an investment trust.

Manager's Continuing Appointment and Fees

Blue Planet Investment Management Ltd (a company registered in Malta (BPIM)) continues to be the Investment Manager of the Company at an unchanged annual fee of 1.50% per annum of the total assets of the Company which is paid monthly. Mr Dean Bucknell is a Director of BPIM which is owned by an Employee Trust for the benefit of its employees. Blue Planet Investment Advisers Ltd continues to provide administration and secretarial services to the Company at a fee of £10,000 per annum. Blue Planet Investment Advisers Ltd also provides an investment advisory service to Blue Planet Investment Management Ltd. The investment management, administration and secretarial services agreements may only be terminated on receipt of two years' notice. The performance of the Company is covered in detail in the Chairman's Statement. Mr Kenneth Murray is a significant shareholder in the Trust which thus aligns the interests of the Investment Adviser with those of the Company. The Directors believe that the level of performance achieved by the Manager in the extreme conditions prevailing in financial markets during the year, together with the Investment Adviser's and Manager's specialist and expert knowledge of the financial sector and investment trusts and the quality of their research, justify the continuing appointment of the Manager on the above terms and that this is in the best interest of shareholders.

Management Fees and Interest Payable

The Directors have decided that 50% of the management fees and the interest costs of the borrowings, including VAT where applicable, should be charged to capital which remains unchanged from the previous year.

Directors

As at 31 March 2011, the Directors of the Company and their interests in the ordinary shares of the Company were as follows:

		Dividend Received	31.03.11	31.03.10
Victoria W Killay	Beneficial	–	10,646	10,646
Glenn Cooper	Beneficial	–	33,325	–
Dean Bucknell	Beneficial	–	–	–*

* At the date of appointment

There were no non-beneficial interests held by Directors.

Victoria Killay and Dean Bucknell retire at the Annual General Meeting of the Company but are eligible for re-election and resolutions to this effect will be proposed at the Annual General Meeting. The Directors believe that it is important to have a representative of the Manager on the Board and therefore recommend Mr Bucknell's reappointment to the Board. On 7 September 2010 Mr Bucknell was appointed and Mr Murray retired from the Board to reduce his work commitments. Ms Killay has been a member of the Board since inception and took over as Chairman in 2005. The Directors believe her experience of the financial services sector and her long association with the Company are valuable to shareholders and therefore also recommend her reappointment based on continued satisfactory performance.

Contracts of Service

Terms of the Directors contracts are available on the Blue Planet website. Kenneth Murray is the owner and a Director of Blue Planet Investment Advisers Ltd and Dean Bucknell is a Director of Blue Planet Investment Management Ltd which receives fees under the management, administration and secretarial agreements referred to above.

Notifiable Interest

As at 20 April 2011, the following information had been intimated to the Company in accordance with Rule 5 of the Disclosure and Transparency Rules:

Name of Shareholder	Class of shares	No. of voting rights in class	% of voting rights in class
Labrador Coast Ltd. (formerly Blue Planet Investments Ltd)	Ordinary	4,039,080	29.55%
Overseas Asset Management (Cayman) Ltd	Ordinary	1,565,000	11.45%

Mr Murray is the owner and Chairman of Labrador Coast Ltd.

Share Capital

The structure of the Company's share capital is shown in note 13 on page 36. It consists solely of ordinary shares each carrying one vote.

Corporate Governance

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained in the AIC Guide addresses all the principles set out in Section 1 of the Combined Code (the Code) as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The AIC Code may be viewed on the AIC website www.theaic.co.uk

In October 2010, the AIC updated its code of Corporate Governance for Investment Trusts which has been endorsed by the Financial Reporting Council and which the Board intends to follow as it considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders.

The following information therefore is designed to comply with the Corporate Governance disclosure requirements of the UK Listing Authority.

The Board believes in the importance of Corporate Governance and the principles contained in the Combined Code. The Company has put in place a framework which is relevant to a smaller investment trust to enable it to comply throughout the year with the main and supporting principles set out in the AIC Code.

The Board

Throughout the year the Board of the Company comprised three non-executive Directors, biographical details of the current Directors are shown on page 18. While the Board is responsible to shareholders for the overall success of the Company, executive responsibility for running the Company is delegated to the Investment Manager (Blue Planet Investment Management Ltd) and to the Company Secretary (Blue Planet Investment Advisers Ltd) and the Board's principal focus is on performance and strategy. As permitted by the AIC Code, no senior independent Director has been appointed. Two of the Company's Directors are wholly independent of the Investment Manager while the third is also a Director of the Investment Manager. The Board believes that notwithstanding she has been a Director of the company for more than nine years Victoria Killay has demonstrated a commitment to the role and appropriate independence of opinion and judgement and therefore remains independent. She continues to challenge the Investment Manager's advice in a constructive manner and brings considerable expertise to her role as Chairman based on her long association with the Company. She will stand for re-election annually. The Board meets at least quarterly and the Investment Manager and Investment Adviser provide full agenda papers, including financial performance, for this purpose. The Board also has a number of matters reserved for its approval including overall investment policy and performance objectives (including approval of the Company's benchmark) and approval of dealing in stock of other investment trusts and funds and voting at shareholder meetings, borrowing strategy (gearing), dividend policy and share buybacks and the terms of appointment of the Investment Manager. In addition, members of the Investment Manager's and Company Secretary's staff attend Board meetings enabling the Directors to seek clarification on any matter and to enquire further on matters of concern. Information regarding the Trust's performance and financial status is circulated to the Directors each month.

The Board issues a formal letter of appointment to Directors. The independent Directors retire at three yearly intervals and annually after nine years' service and the non independent Director retires annually and all are eligible for re-election. Details of remuneration paid to the Directors are set out in the Remuneration report on page 26. The Directors have access to the Investment Manager at any time and to the services of the Company Secretary which is responsible to the Board for ensuring Board procedures are adhered to and that regulatory matters are complied with. The Directors are able to take independent advice at the expense of the Company if necessary though no Director availed himself of this right during the year. New Directors are given an induction training tailored to their individual needs which includes a one to one briefing by the Manager on the background to the Company and the industry including its regulatory background. The Chairman regularly reviews and agrees with each Director their training and development needs.

The following table sets out the frequency of and attendance at Board and principal board committee meetings for the period 1 April 2010 to 31 March 2011:

Name	Main Board	Audit Committee
Number of meetings held	5	1
Victoria Killay	5	1
Glenn Cooper	5	1
Dean Bucknell (appointed on 7 September 2010)	3	–
Kenneth Murray (resigned on 7 September 2010)	1	–

Board Committees and Auditors

For practical reasons given its size, the Board as a whole acts as a Nomination Committee and meets when necessary to evaluate and propose candidates for appointment to the Board. During the year no meeting was held. Mr Dean Bucknell was appointed to the Board in his capacity as a representative of the Investment Manager.

The Audit and Management Engagement Committee consists of the independent Directors and its terms of reference are available on the Blue Planet web site. The Board believes they have adequate combined financial experience to carry out their role not withstanding this is a departure from a strict interpretation of the Code requiring one member to have recent relevant financial experience. The committee examines the effectiveness of the Company's risk management and internal control systems and receives periodic reports from the Compliance Officer of the Company Secretary and their internal auditors on those systems. It also keeps under review the terms of the investment management agreement and the appropriateness of the Manager's continuing appointment based on the performance and level of service delivered. It also reviews the scope, cost, and effectiveness of the external audit and meets with the auditors Deloitte LLP once a year in order to monitor the integrity of the financial statements and their compliance with UK financial reporting requirements and the effectiveness of the Company's internal control systems. In addition to the audit, Deloitte LLP only provides the Company with normal tax compliance and advisory services which the Directors and Auditors believe does not compromise their independence or integrity.

So far as any Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Board Evaluation

During the year the Board carried out an internal evaluation of its performance (including its committees) using a questionnaire developed specifically for an investment trust and completed by the Directors. The results were coordinated by the Company Secretary and were discussed by the whole Board and included an evaluation of the Chairman.

Directors Indemnity

Directors' and officers' liability insurance cover is in place in respect of the Directors. In terms of Section 236 of the Companies Act 2006 all the Directors have been granted Qualifying Third Party Indemnity Provisions by the Company.

Internal Control, Risk Management and Administration

The Board has delegated contractually the management of the investment portfolio and administration to external third parties. The Company Secretary (Blue Planet Investment Advisers Ltd) handles the accounting, company secretarial and administration functions and its performance is evaluated annually. The Board has delegated to the Investment Manager voting rights attaching to securities held in the portfolio. The Company's bankers, custodians and registrars are shown in the section entitled Officers and Advisors and their performance is evaluated annually.

Given the relatively straightforward nature of the Company's business typically managing a long only portfolio of some 20 stocks it only requires a simple system of internal control and risk management in relation to financial reporting.

The Company Secretary agrees the Company's cash and stock positions with its bankers and custodians every week and in addition announces weekly and monthly net asset valuations. These reconciliation and valuations are independently reviewed and the Company Secretary's auditors provide an internal audit service to the Company which covers key internal control systems relating to portfolio management, custody and accounting. The results of these audits are reviewed by the Board and the Company Secretary implements any recommendations for improvements to systems made by the auditor.

The Directors acknowledge that they have an important responsibility for ensuring that there is in place a sound system of internal control and for regularly reviewing the effectiveness of the system. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which has been in place throughout the year and up to the date of this report. This process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in October 2005. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Directors will continue to monitor its system of internal control in order to provide assurance that it operates as intended and confirm that they have reviewed the effectiveness of the system during the year and have procedures in place to review its effectiveness on a regular basis. During the course of its review of the system of internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of any necessary actions has not been considered appropriate.

The Board, assisted by the Company Secretary, has undertaken a full review of the Company's business risks (both financial and non-financial) and these are analysed and recorded in a computer based risk tracking matrix which is available to Directors on-line. The Board receives an annual report from the Company Secretary which details the steps taken to monitor these areas of risk, including those that are not directly their responsibility, and including details of any known internal control failures should they occur. Steps will continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company.

Custody Arrangements

The Company's custodian is RBC Dexia Investor Services Trust and they have acted in this capacity for 8 years. RBC Dexia Investor Services Trust ranks among the world's top 10 global custodians with USD 2.8 trillion in client assets under administration and is responsible for the safe custody of the Company's investments and uninvested cash balances. The Company Secretary meets the custodian twice a year to discuss the level of service received and also reviews the report on RBC Dexia's key internal control objectives, and the controls in place to protect the company's assets prepared by its independent auditors PWC. The Board is advised of the results of this review.

Compliance

The Directors consider that throughout the year the Company has complied with the main and supporting principles of the AIC Code and the relevant provisions of Section 1 of the Combined Code except where noted above.

Going Concern

The Directors consider that the Company has adequate financial resources in the form of readily realisable listed securities, as well as cash of £245,000 (2010 – £1,385,000) and undrawn loan facilities of £150,000 (2010 – £1.75m) to continue in operational existence for the foreseeable future, taking into account that the loan facility is due to expire within 12 months. They have also assumed that shareholders will support the continuation of the Company at the Annual General Meeting in August. For this reason they continue to use the going concern basis in preparing the accounts.

Financial instruments and the management of risk

By its nature, as an investment trust, the Company is exposed to market price risk, interest and foreign currency rate risk and liquidity risk. The Company's policies for managing these risks are outlined in note 18 to the financial statements.

Essential business relationships

The companies with which the Trust has relationships which are essential for the smooth running of its business are shown on page 48 under officers and advisors.

Payment Policy

In common with other investment trusts, the Company has no trade creditors. The Company's payment policy is to ensure settlement of suppliers' invoices in accordance with the stated terms.

Continuation Vote

Shareholders are required to be given an opportunity to vote for the liquidation or continuation of the Company at this year's AGM.

Relations with Shareholders

At 31 March 2011 there were 1,434 ordinary shareholders. The Board meets with major shareholders on an ad hoc basis to make presentations on the Company's performance and understand their views on significant issues affecting the Company. The Company's Managers are in regular contact with shareholders and their representatives by means of a monthly information sheet that is emailed to shareholders and other interested parties who requested it. Inclusion on this emailing list can be requested through the Manager's website. The Company's Annual General Meeting provides a forum for communication with shareholders and the Board announces the level of proxies lodged. The notice period for the Annual General Meeting is at least 20 working days. Details are given in the notice convening the Annual General Meeting. Shareholders wishing to communicate directly with the Board should write or email the Chairman via Blue Planet Investment Advisers Ltd whose details are given on page 48.

Blue Planet Investment Management Ltd give due weight to what they consider to be socially responsible investment when making investment decisions, but their overriding objective is to produce good investment returns for shareholders.

Annual General Meeting Business

1. Authority to allot securities

The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution No. 6 will be proposed as an ordinary resolution to grant a new authority to allot unissued share capital up to an aggregate nominal value of £45,000, representing 33% of the total issued ordinary share capital as at 31 March 2011. If given, this authority will expire 15 months after the date of passing of this resolution or at the conclusion of next Annual General Meeting, whichever is the earlier. Other than in respect of the Company's obligations under the Blue Planet Savings Plan the Directors have no present intention of issuing any of the authorised but unissued share capital of the Company.

2. Power to disapply statutory pre-emption rights and sell treasury shares

The Directors also require additional authority from shareholders to allot shares or grant rights over shares or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. The authority granted at the last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution No. 7 will be proposed as a special resolution to grant such authority. Apart from (i) rights issues, open offers or other pro rata issues or offers to shareholders where the equity securities respectively attributable to the interests of all shareholders are proportionate (or as near as may be) to the respective number of shares held by them, (ii) the allotment of ordinary shares in connection with the Blue Planet Savings Plan (as amended from time to time), the authority will be limited to the issue of shares and sales of treasury shares for cash up to an aggregate nominal value of £6,800 (being 5% of the issued ordinary share capital as at 31 March 2011). If given, this authority will expire 15 months after the date of passing of this resolution or at the conclusion of the next Annual General Meeting of the Company, whichever is the earlier.

3. Proposal to authorise the Company to purchase its own shares

The Directors believe that the Company should have the ability to purchase its own ordinary shares in the market with the aim of reducing any discount at which those shares may trade to net asset value. Purchases by the Company of its own ordinary shares would be expected to increase the net asset value per ordinary share of the remaining ordinary shares. Resolution No. 8 gives the Company the authority for it to purchase its own shares until 15 months from the date of the Annual General Meeting or, if earlier, the conclusion of the next Annual General Meeting on the terms set out in the resolution. Accordingly, the Board is proposing that shareholders authorise the Company to purchase in the market up to 2,049,000 of its ordinary shares, representing approximately 15% of the issued ordinary share capital as at 31 March 2011.

The maximum price to be paid on any purchase of an ordinary share will not be greater than 5% above the average of the middle market quotation of an ordinary share at the close of business on the five business days immediately preceding the date of purchase. The minimum price to be paid on any purchase of an Ordinary Share will be 1 pence (being the nominal value of the shares).

The Company may hold shares repurchased as treasury shares with a view to possible re-sale at a future date rather than having to cancel them. The Company will consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

The Directors intend only to use such authority in circumstances where they believe it would result in an increase in the net asset value per ordinary share of the remaining shareholders and otherwise would be in the interests of shareholders generally.

Purchase of its own ordinary shares by the Company can only be funded from either its distributable reserves or from a fresh issue of shares made for that purpose.

4. Special resolution to approve the continuance of the Company

As required by the Company's articles the Directors propose special Resolution 9 at the Company's AGM to allow for the continuation of the Fund. Your Fund has a strong record of outperformance in year of rising markets. The Fund's benchmark has provided a positive return in 5 out of the last 10 years, and the Fund has outperformed the benchmark for 4 of those years, in some years significantly. It has also managed to provide positive returns in 2 years that its benchmark did not. The Directors recommend shareholders to vote in favour of this resolution, to capitalise on the opportunities available from the economic recovery, strong corporate profitability and cheap valuations to rebuild value in the Fund.

The Directors of the Company consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Blue Planet Investment Advisers Ltd
Company Secretary
Edinburgh

20 May 2011

Directors' Remuneration Report

The Company is required to submit a Directors' Remuneration Report to shareholders for consideration at each Annual General Meeting as an ordinary resolution. The vote on the Report is advisory in nature and, accordingly, will not affect the remuneration of the Directors for the year under review. Details of the meeting and how it will be conducted are given in the Notice of Meeting.

The total annual fees paid to Directors must not exceed the maximum amount approved by shareholders in accordance with the provisions of the Company's Articles of Association.

Since all Directors are non-executive, the Company is not required to comply with principles B.1 to B.3 of the Combined Code in respect of executive Directors' remuneration. There is no separate remuneration committee and the Board as a whole considers recommendations put forward by the Manager and Secretary, from time to time, for changes in Directors' fees.

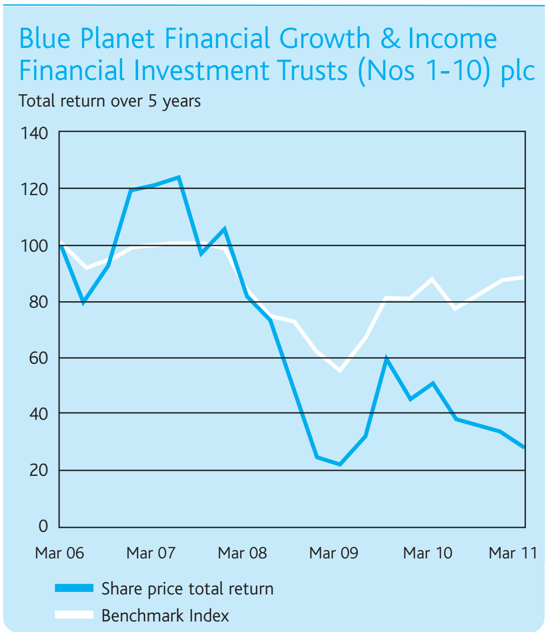
In setting Directors' fee levels it is the Company's policy to take account of fees paid by comparable investment trusts to ensure that remuneration is sufficient to attract Directors of the highest quality, experience and integrity. The remuneration offered, therefore, recognises the importance of the job to the Company and the individual's potential to add value.

Terms of the Directors' contracts are available on the Blue Planet website and there is no notice period. During the year the Chairman received annual fees of £1,600 and the other Directors £1,400 each pro rata (these fees were last changed in 2007). In addition the Directors are reimbursed out of pocket travelling and subsistence expenses. There are no long term incentives, share option or pension schemes in operation. See note 3 on page 32 for details of Directors' fees. Information in this paragraph and note 3 has been audited.

The Directors' Remuneration Report legislation requires each Company to compare its performance with a "broad equity market index" in the form of a graph. The following graph compares the total return on the Company's ordinary shares over a five year period to the performance of the Bloomberg World Financial Index which is Company's benchmark index. This index is deemed by the Directors to be the most appropriate indicator of performance in light of the Company's investment policy.

By order of the Board

Blue Planet Investment Advisers Ltd
Company Secretary
Edinburgh
20 May 2011



Accounts

Income Statement

(incorporating the revenue account) For the year ended 31 March 2011	Notes	Revenue (£)	Capital (£)	2011 Total (£)	Revenue (£)	Capital (£)	2010 Total (£)
Capital (losses)/gains on investments							
Net realised losses		–	(356,630)	(356,630)	–	(436,453)	(436,453)
Unrealised (losses)/gains		–	(77,874)	(77,874)	–	1,262,350	1,262,350
Exchange (losses)/gains		–	(198,533)	(198,533)	–	86,059	86,059
Net capital (losses)/gains on investments		–	(633,037)	(633,037)	–	911,956	911,956
Income from investments	2	37,533	–	37,533	31,514	–	31,514
Bank interest receivable		1,224	–	1,224	2,623	–	2,623
Gross revenue and capital (losses)/gains		38,757	(633,037)	(594,280)	34,137	911,956	946,093
Administrative expenses	3	(51,466)	(17,763)	(69,229)	(60,436)	(23,007)	(83,443)
Net return before interest payable and taxation		(12,709)	(650,800)	(663,509)	(26,299)	888,949	862,650
Interest payable	4	(24,385)	(24,385)	(48,770)	(24,323)	(24,323)	(48,646)
Return on ordinary activities before taxation		(37,094)	(675,185)	(712,279)	(50,622)	864,626	814,004
Taxation on ordinary activities	5	579	–	579	(1,891)	–	(1,891)
Return on ordinary activities after taxation	15	(36,515)	(675,185)	(711,700)	(52,513)	864,626	812,113
Return per ordinary share – basic	7	(0.27)p	(4.94)p	(5.21)p	(0.38)p	6.33p	5.95p
Return per ordinary share – diluted	7	–	–	–	(0.38)p	6.33p	5.95p

The total column of the income statement represents the profit & loss account of the Company.
All revenue and capital items in the above statement derive from continuing operations.
There were no recognised gains and losses other than those disclosed above. Accordingly a statement of total recognised gains and losses is not required.

Balance Sheet

At 31 March 2011	Notes	(£)	2011 (£)	(£)	2010 (£)
Fixed assets					
Listed equity investments	8		1,618,188		1,219,051
Current assets					
Debtors	9	35,251		93,910	
Cash at bank		245,084		1,385,259	
		280,335		1,479,169	
Creditors: amounts falling due within one year	10	(828,989)		(106,546)	
Net current (liabilities)/assets			(548,654)		1,372,623
Total assets less current liabilities			1,069,534		2,591,674
Creditors: amounts falling due after more than one year	11		–		(811,000)
Net assets			1,069,534		1,780,674
Capital and reserves					
Called-up share capital	13		136,677		136,621
Share premium account	14		1,180,248		1,179,611
Other reserves	15				
Capital reserve – realised			17,164		552,835
Capital reserve – investment holding losses			(247,030)		(167,229)
Capital redemption			8,450		8,450
Warrant reserve			–		59,846
Revenue reserve	15		(25,975)		10,540
Shareholders' funds			1,069,534		1,780,674
Net asset value per ordinary share – basic	7		7.83p		13.03p
Net asset value per ordinary share – diluted	7		–		12.56p

The financial statements on pages 28 to 41 were approved by the Board of Directors on 20 May 2011 and were signed on its behalf by:

Victoria W Killay
Chairman
20 May 2011

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 March 2011	Share capital (£)	Share premium (£)	Capital redempion reserve (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Warrant reserve (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 April 2010	136,621	1,179,611	8,450	552,835	(167,229)	59,846	10,540	1,780,674
Proceeds of share issue	56	504	–	–	–	–	–	560
Transfer from /(to) warrant reserve	–	133	–	59,713	–	(59,846)	–	–
Return on ordinary activities after taxation	–	–	–	(595,384)	(79,801)	–	(36,515)	(711,700)
Shareholders' funds at 31 March 2011	136,677	1,180,248	8,450	17,164	(247,030)	–	(25,975)	1,069,534

For the year ended 31 March 2010	Share capital (£)	Share premium (£)	Capital redempion reserve (£)	Capital reserve-realised (£)	Capital reserve-investment holding losses (£)	Warrant reserve (£)	Revenue reserve (£)	Total shareholders' funds (£)
Shareholders' funds at 1 April 2009	136,609	1,179,474	8,450	955,504	(1,434,524)	59,875	166,876	1,072,264
Proceeds of share issue	12	108	–	–	–	–	–	120
Transfer from /(to) warrant reserve	–	29	–	–	–	(29)	–	–
Return on ordinary activities after taxation	–	–	–	(402,669)	1,267,295	–	(52,513)	812,113
Dividend paid during the period	–	–	–	–	–	–	(103,823)	(103,823)
Shareholders' funds at 31 March 2010	136,621	1,179,611	8,450	552,835	(167,229)	59,846	10,540	1,780,674

Cash Flow Statement

For the year ended 31 March 2011	Notes	(£)	2011 (£)	(£)	2010 (£)
Operating activities					
Investment income received		32,627		75,622	
Interest received		1,224		2,623	
Investment management and administration fees paid		(46,580)		(54,937)	
Cash paid to and on behalf of Directors		(4,465)		(4,237)	
Other cash payments		(20,092)		(23,409)	
Exchange differences on foreign currency cash balances		(198,533)		56,522	
Net cash (outflow)/inflow from operating activities	16		(235,819)		52,184
Servicing of finance					
Interest paid			(48,640)		(48,769)
Taxation					
Taxation recovered			3,793		208
Capital expenditure and financial investment					
Purchase of investments		(10,507,374)		(16,117,880)	
Sale of investments		9,647,305		16,892,844	
			(860,069)		774,964
Cash (outflow)/inflow before financing			(1,140,735)		778,587
Equity dividend paid			–		(103,823)
Management of liquid resources					
Cash placed on deposit		(1,020,066)		(3,437,442)	
Cash withdrawn from deposit		1,020,066		3,465,211	
			–		27,769
Financing					
Proceeds from share issue		560		120	
Repayment of loan		–		(96,290)	
			560		(96,170)
(Decrease)/increase in cash	16		(1,140,175)		606,363

Notes on the Accounts

1. Accounting basis and policies

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable United Kingdom Law and Accounting Standards. The Company follows the recommendations of the 2009 Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (SORP). The accounts have also been prepared on the assumption that approval as an investment trust continues to be granted and thus no tax is provided on capital gains and losses arising on the revaluation of investments. The disclosures on going concern on page 24 of the Directors' Report form part of these financial statements. The accounts have been prepared using the following accounting policies which have been consistently applied:

(a) Revenue, expenses and interest payable - Income from equity investments, including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Franked investment income is reported net of tax credits in accordance with FRS16. Foreign income is converted at the exchange rate applicable at the time of receipt. Interest receivable on bonds and short-term deposits and expenses are treated on an accruals basis. All expenses are charged to the revenue account with the exception of management fees and interest charges on borrowing, one half of which less the appropriate tax relief is charged to capital.

(b) Investments - All investments are designated on initial recognition as at fair value through profit and loss. All investments are listed on recognised exchanges and are valued at bid prices ruling at the balance sheet date, foreign currencies being converted at the rate of exchange ruling at the balance sheet date.

(c) Forward currency contracts – Forward currency contracts hedging exposures in the investment portfolio are valued at the rate of exchange ruling at the balance sheet date with net unrealised gains and losses being shown in debtors or creditors.

(d) Interest rate swap contracts – These are designated at fair value through profit and loss and are valued at the balance sheet date using discounted future cash flow models with unrealised gains/losses recognised in debtors or creditors.

(e) Differences on exchange - Gains and losses on currency balances and loans are dealt with in Capital Reserve.

(f) Capital reserve - realised - Gains and losses on realisation of investments are dealt with in this reserve.

(g) Capital reserve –Investment holding gains/ (losses) - Unrealised increases and decreases in the valuation of investments and derivatives held are dealt with in this reserve.

2. Income from investments

	Franked (£)	Unfranked (£)	2011 Total (£)	Franked (£)	Unfranked (£)	2010 Total (£)
Dividends						
Listed investments – UK	10,185	–	10,185	2,347	–	2,347
Overseas	19,966	–	19,966	–	26,865	26,865
Interest						
Listed investments – UK	–	1,236	1,236	–	–	–
Overseas	–	6,146	6,146	–	2,302	2,302
Total	30,151	7,382	37,533	2,347	29,167	31,514

3. Administrative expenses

	Revenue (£)	Capital (£)	2011 Total (£)	Revenue (£)	Capital (£)	2010 Total (£)
Investment management fee	17,763	17,763	35,526	23,007	23,007	46,014
Administration fee	10,000	–	10,000	10,000	–	10,000
Directors' fees	4,400	–	4,400	4,167	–	4,167
Auditors' remuneration - audit services	703	–	703	627	–	627
Auditors' remuneration – taxation services	170	–	170	225	–	225
Custody and registrar fees	3,001	–	3,001	3,289	–	3,289
Loan commitment fees	2,784	–	2,784	4,906	–	4,906
Printing costs	454	–	454	1,526	–	1,526
Regulatory and legal fees	9,283	–	9,283	9,020	–	9,020
Other expenses	1,666	–	1,666	2,411	–	2,411
Irrecoverable VAT	1,242	–	1,242	1,258	–	1,258
	51,466	17,763	69,229	60,436	23,007	83,443

Directors' remuneration consisted solely of fees of £1,600 for the Chairman, £1,400 for Mr Cooper, £960 for Mr Murray and £440 for Mr Bucknell.

Blue Planet Investment Management Ltd is employed by the Company as its Investment Manager under a management agreement which is terminable on two years' notice. The investment management fee in respect of each month was 0.125% of the total assets of the Company attributable to the shareholders on the last day of that month. The Company Secretary, Blue Planet Investment Advisers Ltd, receives £10,000 p.a in respect of administration and secretarial services.

4. Interest payable

	Revenue (£)	Capital (£)	2011 Total (£)	Revenue (£)	Capital (£)	2010 Total (£)
Interest payable on:						
Loans (notes 10 & 12)	24,385	24,385	48,770	24,323	24,323	48,646

5. Taxation

	2011 (£)	2010 (£)
i) Analysis of charge in the year		
UK corporation tax	–	–
Overseas taxation	579	(1,891)
Current revenue tax charge for the year	579	(1,891)
ii) Factors affecting tax charge in the year		
Return on ordinary activities before tax	(712,279)	814,004
Tax at 28% (2010 - 28%) thereon	199,438	(227,921)
Non taxable capital (losses)/gains	(189,052)	242,095
Effect of UK dividend Income	8,442	657
Costs charged to capital	11,801	13,252
Increase in unutilised losses	(30,467)	(28,612)
Expense relief on overseas taxation	(162)	529
UK corporation tax	–	–
Overseas taxation	579	(1,891)
Total tax charge for the year	579	(1,891)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 28% (2010 – 28%). The taxation charge includes a refund of withholding tax written off in the prior years.

iii) Deferred tax

No corporation tax is payable on the revenue return for the year as allowable expenditure and unutilised losses exceeds the Company's taxable unfranked investment and interest income; no provision is made for the resulting deferred tax asset of £97,000 (2010 - £87,000) as it is unlikely to be recoverable under the Company's current investment policy.

6. Dividends

	2011 (£)	2010 (£)
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2010 of 0p per share (2009 – 0.76p)	–	103,823
Proposed final dividend for the year ended 31 March 2011 of 0p (2010 – 0p) per share	–	–

Any proposed final dividend is subject to approval by shareholders at the Annual General Meeting and would not be included as a liability in these financial statements.

We also set out above the total dividend payable in respect of the financial year, which is the basis on which the requirements of section 1158 Corporation Taxes Act 2010 are considered. Details of the dividends Directors have received from the Company are given in the Directors' Report on page 21.

7. Return and Net Assets per ordinary share

	2011	2010
The return per ordinary share is based upon the following figures:		
Revenue return	£(36,515)	£(52,513)
Capital return	£(675,185)	£864,626
Weighted average number of ordinary shares in issue during the year – basic	13,665,844	13,661,701
Weighted average number of ordinary shares in issue during the year – diluted	–	13,661,701

The difference between the basic and diluted number of ordinary shares is derived from the total number of warrants in issue multiplied by a factor based on the average price of the ordinary shares in the year and the exercise price of the warrants, as required by FRS 14. No dilution occurred in the current year as the warrant exercise price exceeded the average market price of one share during the year. The net asset value per ordinary share is calculated on 13,667,700 (2010 – 13,662,100) being the number of ordinary shares in issue at the year end. All warrants have now lapsed and dilution is no longer relevant.

8. Fixed asset investments

	Equity (£)	Non Equity (£)	2011 Total (£)	2010 (£)
Listed investments				
Cost at 1 April 2010	1,306,366	–	1,306,366	2,520,519
Additions at cost	9,823,264	626,821	10,450,085	16,208,057
Disposals at cost	(9,316,753)	(626,821)	(9,943,574)	(17,422,210)
Cost at 31 March 2011	1,812,877	–	1,812,877	1,306,366
Unrealised losses	(194,689)	–	(194,689)	(87,315)
Valuation at 31 March 2011	1,618,188	–	1,618,188	1,219,051

The carrying value of investments is equivalent to their fair value. Additions and disposals includes transaction costs of £8,886 and £8,178 respectively (2010 - £17,427 and £16,241). The Company does not exercise significant influence over the operating and financial policies of any of its investment holdings and therefore does not consider them to be associates. All investments are quoted in active markets. Investments and the interest rate swap (note 10) are measured at fair value through profit or loss and classified as level 1and 2 respectively. There were no transfers between level 1 and 2 during the year. Gains or losses on forward contracts and interest rate swap held during the year are included in profit or loss and have been disclosed in note 15.

9. Debtors

	2011 (£)	2010 (£)
Due within one year:		
Sales awaiting settlement	32,554	92,913
Overseas taxation recoverable	168	198
Other debtors	2,529	799
	35,251	93,910

10. Creditors: amounts falling due within one year

	2011 (£)	2010 (£)
Purchases awaiting settlement	33,426	90,714
Loans (note 12)	750,000	–
Interest rate swap (expires 2012)	31,500	–
Other creditors	14,063	15,832
	828,989	106,546

Other creditors include £2,318 (2010 – £3,373) due to the Managers, Blue Planet Investment Management Ltd and £833 (2010 – £833) due to the Administrators, Blue Planet Investment Advisers Ltd. Details of the management and administration agreements are given on page 20 and the related fees are shown in note 3.

11. Creditors: amounts falling due after more than one year

	2011 (£)	2010 (£)
Sterling loan (note 12)	–	750,000
Interest rate swap (expires 2012)	–	61,000
	–	811,000

12. Loans

The sterling loan is an unsecured loan facility. The Company also has a multi-currency unsecured, revolving loan facility of £150,000. The loans are subject to covenants including a maximum gearing threshold and the loans are finally repayable as detailed below:

	2011 Loan	2011 Interest rate	2011 Repayment date	2010 Loan	2010 Interest rate	2010 Repayment date
Sterling loan	£750,000	5.98%	23 January 2012	£750,000	5.98%	23 January 2012

At 31 March 2011, there were £150,000 undrawn facilities, and no early payment penalties and the Company was in compliance with its banking covenants

13. Share capital

	2011 (£)	2010 (£)
Allotted, called up and fully paid:		
13,667,700 (2010 – 13,662,100) ordinary shares of 1p each	136,677	136,621

At 1 April 2010 the Company had 251,540 warrants in issue. Each warrant confers the right, exercisable on 31 July 2010 or, if later, 30 days after the distribution of the annual Report and Accounts to subscribe for 10 new ordinary shares at a price of £0.10 per share. On 31 July 2010, 560 warrants were exercised and 5,600 ordinary shares were issued; the remaining warrants have lapsed and can no longer be exercised.

At 31 March 2011 the Company had authority to purchase a further 2,049,000 shares. A resolution to renew this authority will be proposed at the Annual General Meeting.

14. Share premium account

	2011 (£)	2010 (£)
Balance at 1 April 2010	1,179,611	1,179,474
Transfer from warrant reserve	133	29
Proceeds of share issue	504	108
Balance at 31 March 2011	1,180,248	1,179,611

15. Movements in other reserves

	2011 (£)	2010 (£)
Capital reserve – realised		
Balance at 1 April 2010	552,835	955,504
Net losses on realisations during the year		
(2011 includes losses of £4,362 (2010 - nil) on forward currency contracts)	(356,630)	(436,453)
Administration expense charged to capital	(17,763)	(23,007)
Loan interest payable	(24,385)	(24,323)
Exchange differences	(196,606)	81,114
Realised gain on lapsed warrants	59,713	–
Balance at 31 March 2011	17,164	552,835
Capital reserve – investment holding losses		
Balance at 1 April 2010	(167,229)	(1,434,524)
Investment holding losses in the year (2011 includes gains of £29,500		
(2010 – £6,000) on the interest rate swap)	(77,874)	1,262,350
Unrealised exchange differences	(1,927)	4,945
Balance at 31 March 2011	(247,030)	(167,229)

15. Movements in other reserves *continued*

	2011 (£)	2010 (£)
Warrant reserve		
Balance at 1 April 2010	59,846	59,875
Transfer to share premium in respect of exercised warrants	(133)	(29)
Realised gain on lapsed warrants	(59,713)	–
Balance at 31 March 2011	–	59,846
Revenue reserve (distributable)		
Balance at 1 April 2010	10,540	166,876
Dividend paid	–	(103,823)
Revenue account transfer for the year	(36,515)	(52,513)
Balance at 31 March 2011	(25,975)	10,540

16. Cash flow statement

	2011 (£)	2010 (£)
Reconciliation of net revenue return to net cash (outflow)/inflow from operating activities		
Net return before interest payable and taxation	(12,709)	(26,299)
Administrative expenses charged to capital	(17,763)	(23,007)
(Increase)/decrease in other debtors	(1,730)	46,135
(Decrease)/increase in other creditors	(1,899)	852
Tax suffered on investment income	(3,185)	(2,019)
Exchange differences on foreign currency cash balances	(198,533)	56,522
Net cash (outflow)/inflow from operating activities	(235,819)	52,184
Reconciliation of net cash flow to movement in net (debt)/ funds		
(Decrease)/increase in cash balances	(1,140,175)	606,363
Cash withdrawn from deposit	–	(27,769)
Repayment of loan	–	96,290
Changes in net (debt)/ funds resulting from cash flows	(1,140,175)	674,884
Exchange differences	–	29,537
Movement in net (debt)/funds in the year to 31 March 2011	(1,140,175)	704,421

Analysis of changes in net debt

	At 1 April 2010 (£)	Cash flow (£)	Foreign exchange movements (£)	At 31 March 2011 (£)
Cash at bank	1,385,259	(1,140,175)	–	245,084
Debt (notes 11 and 12)	(750,000)	–	–	(750,000)
Total	635,259	(1,140,175)	–	(504,916)

17. Contingent Assets and liabilities

There were no contingent liabilities or uncalled liabilities at 31 March 2011 (2010 – nil).

18. Financial Instrument, Risk management policies and procedures

As an investment trust the Company invests in equities and other investments for the long-term so as to secure its investment objectives stated on page 1. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends.

The Board of Directors and the Investment Manager coordinates the Company's risk management. The risks, objectives, policies and processes used for managing these risks and the methods used to measure the risks, are set out below. These have not changed from the previous accounting period.

a. Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements -currency risk (see note 18.b), interest rate risk (see note 18.c), and other price risk (see note 18.d). The Board of Directors reviews and agrees policies for managing these risks, which policies have remained substantially unchanged from those applying in prior years. The Company's Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

b. Currency risk

The Company's assets, liabilities, and income, are largely denominated in currencies other than sterling. As a result, movements in exchange rates may affect the sterling value of those items. The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis, and reports to the board on a regular basis. The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

Foreign currency borrowings and forward currency contracts, commensurate with the asset currency exposures, are used to limit the Company's exposure to anticipated future changes in exchange rates. During 2011, the Company entered into forward currency contracts to hedge its exposure to the Russian Rouble which were settled during the year.

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

The fair values, together with maximum and minimum exposures, of the Company's monetary items that have foreign currency exposure at 31 March 2011 are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	USD £'000	INR £'000	EUR £'000	Other £'000
2011				
Debtors (due from brokers, dividends receivable and accrued income)	–	–	33	–
Cash at bank	48	–	–	–
Creditors (due to brokers and accruals)	–	–	–	(33)
Foreign currency exposure on net monetary items	48	–	33	(33)
Investments at fair value through profit or loss	603	270	322	256
Total net foreign currency exposure	651	270	355	223
Maximum (foreign currency exposure on net monetary items)	1,216	–	33	1,908
Minimum (foreign currency exposure on net monetary items)	(210)	–	(519)	(79)

	CAD £'000	AUD £'000	EUR £'000	Other £'000
2010				
Debtors (due from brokers, dividends receivable and accrued income)	–	–	91	–
Cash at bank	378	–	–	–
Creditors (due to brokers and accruals)	–	–	–	91
Foreign currency exposure on net monetary items	378	–	91	91
Investments at fair value through profit or loss	–	399	387	434
Total net foreign currency exposure	378	399	478	525
Maximum (foreign currency exposure on net monetary items)	627	287	434	1,089
Minimum (foreign currency exposure on net monetary items)	–	–	(209)	(91)

18. Financial Instrument, Risk management policies and procedures *(continued)*

The following table illustrates the sensitivity of the total return for the year and the shareholders' equity to a 3%, 8% and a 2% strengthening or weakening of Sterling against the US Dollar, Indian Rupee and Euro respectively (2010 – 4%, 16% and 3% against the Canadian Dollar, Australian Dollar and Euro respectively) .

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date, and takes account of any forward foreign exchange contracts that offset the effects of changes in currency exchange rates.

	2011 USD £'000	INR £'000	EUR £'000	2010 CAD £'000	AUD £'000	EUR £'000
If £ Sterling had strengthened against the currencies shown, this would have had the following effect:						
Income statement – return on ordinary activities after taxation:						
Revenue return	(37)	(37)	(37)	(53)	(53)	(53)
Capital return	(695)	(680)	(703)	850	802	851
Total return on ordinary activities after taxation	(732)	(717)	(740)	797	749	798
Shareholders' equity	1,050	1,065	1,042	1,766	1,718	1,767
If £ Sterling had weakened against the currencies shown, this would have had the following effect:						
Income statement – return on ordinary activities after taxation:						
Revenue return	(37)	(37)	(37)	(52)	(52)	(53)
Capital return	(655)	(670)	(647)	880	928	879
Total return on ordinary activities after taxation	(692)	(707)	(684)	828	876	826
Shareholders' equity	1,090	1,075	1,098	1,796	1,844	1,795

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 currency risk management process used to meet the Company's objectives.

c. Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on the Company's variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowing under the multi-currency loan facility. The Company, generally, does not, except in exceptional market conditions hold significant cash balances. The Company finances part of its activities through borrowings at levels approved and monitored by the Board to ensure gearing levels are appropriate to the market conditions.

An interest rate swap has been entered into to hedge against potential variations in the finance cost of the sterling loan of £0.75m. The interest rate swap expires on 23 January 2012 and its fair value at the year end was £(31,500) (2010 – £(61,000)). Interest payments are settled quarterly and the floating interest received is based on the 3 month LIBOR. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these at regular intervals.

The exposure, together with maximum and minimum exposures, of financial assets and financial liabilities to interest rate risk is shown below by reference to floating interest rates (i.e. cash flow interest rate risk) when the interest rate is due to be re-set and fixed interest rates (i.e. giving fair value interest rate risk) – when the financial instrument is due for repayment.

18. Financial Instrument, Risk management policies and procedures *(continued)*

	2011 Within one year £'000	More than one year £'000	Total £'000	2010 Within one year £'000	More than one year £'000	Total £'000
Exposure to floating interest rates						
Cash at bank	245	–	245	1,385	–	1,385
	245	–	245	1,385	–	1,385
Exposure to Fixed interest rates						
Borrowings under the multi-currency loan facility	(750)	–	(750)	–	(750)	(750)
	(750)	–	(750)		(750)	(750)
Total exposure to interest rates	(505)	–	(505)	1,385	(750)	635
Maximum – floating interest rates	1,612	–	1,612	1,844	–	1,844
Maximum – fixed interest rates	(750)	–	(750)	–	(750)	(750)
Minimum – floating interest rates	(89)	–	(89)	78	(372)	(294)
Minimum – fixed interest rates	(750)	–	(750)	–	(750)	(750)

Interest receivable, and finance costs are at the following rates:
Interest received on cash balances is 25bps lower than base rate or its foreign currency equivalent (2010 – 25bps less base rate). Interest paid on borrowings under the multi-currency loan facility is at a margin of 0.50% over LIBOR or its foreign currency equivalent for the type of loan. The weighted average effective interest rate is 4.68% (2010 – 4.81%).
The following table illustrates the total return for the year and shareholders equity as a result of an increase or decrease of 50 basis points (2010 – 25bps) in interest rates in regard to the Company's monetary financial assets and financial liabilities at the balance sheet date with all other variables held constant. This level of change is considered to be reasonably possible based on observation of current market conditions.

	2011 Increase in rate £'000	Decrease in rate £'000	2010 Increase in rate £'000	Decrease in rate £'000
Income statement – return on ordinary activities after taxation				
Revenue return	(36)	(38)	(50)	(56)
Capital return	(675)	(675)	865	865
Total return on ordinary activities after taxation	(711)	(713)	815	809
Shareholders' equity	1,071	1,069	1,784	1,778

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 borrowings are drawn down and repaid throughout the year.

d. Other price risk

The Company is invested in a specific sector and is therefore subject to the risk of market sentiment price movements in that sector. Events in world markets may affect values as well as events within the companies in which the securities are held. The analysis of the Company's investment portfolio on page 3 shows that a substantial portion of the investments' value is in US, UK, European and Indian Financial Companies. Accordingly, there is a concentration of exposure to that sector in those countries, though it is recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.
The Board of Directors manages the market price risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives, and is directly responsible for investment strategy and asset allocation. When appropriate, the Company manages its exposure to risk by buying or selling futures contracts of the Eurostoxx indices.

18. Financial Instrument, Risk management policies and procedures *(continued)*

The Company's exposure to changes in market prices at 31 March 2011 on its quoted equity and non-equity investments was £1,618,000 (2010 – £1,219,000). The following table illustrates the sensitivity of the total return for the year and the shareholders equity to an increase or decrease of 20% (2010 – 50%) in the fair values of the Company's equities (including equity exposure through futures contracts). This level of change is considered to be reasonably possible based on observation of current market conditions.

	2011 Increase in fair value £'000	Decrease in fair value £'000	**2010** Increase in fair value £'000	Decrease in fair value £'000
Income statement – return on ordinary activities after taxation				
Revenue return – (decrease)/increase	(2)	2	(5)	5
Capital return – increase/(decrease)	321	(321)	605	(605)
Total return on ordinary activities after taxation – increase/(decrease)	319	(319)	600	(600)
Shareholders' equity	1,389	751	2,381	1,181

e. Liquidity risk
This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is not significant as the majority of the Company's assets are investments in quoted equities that are readily realisable. The Company has the power to take out borrowings, which give it access to additional funding when required (see note 12). All current liabilities will be settled within 3 months.

f. Credit risk
The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. This risk managed by ensuring that investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager; 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; cash is held only with reputable banks with high quality external credit ratings. None of the Company's financial assets are secured by collateral or other credit enhancements. None of the Company's financial assets are past due or impaired.

g. Fair values of financial assets and financial liabilities
Financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments and derivatives), or the balance sheet amount is a reasonable approximation of fair value. Where a loan is denominated in a foreign currency, it is converted into the Sterling amount using year end rates of exchange.

h. Capital management policies and procedures
The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to maximise the total return to its equity shareholders through an appropriate balance of equity capital and debt.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these at regular intervals. Its current policy is that debt should be no more than 50% of shareholders' funds. At 31 March 2011 the Company's net gearing was 47.2% (2010 – 0%).

The Board, with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the planned level of gearing, which takes account of the Manager's views on the market; the need to buy back equity shares, either for cancellation or to hold in treasury, which takes account of the difference between the net asset value per share and the share price (i.e. the level of share price discount); the need for new issues of equity shares, including issues from treasury; and the extent to which revenue in excess of that which is required to be distributed should be retained. The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company is subject to certain externally imposed capital requirements. Net borrowings under the loan facilities are not to exceed 50% of marketable investments including cash. As a public company, the Company has to have a minimum share capital of £50,000. These requirements are unchanged since last year, and the Company has complied with them.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the 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 the Company law Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors confirm that to the best of their knowledge that:

- The financial statements, prepared in accordance with applicable UK accounting standards, give a true and fair view of the assets, liabilities, financial position and return of the Company; and
- The Directors' and Investment managers' reports include a fair review of the development, performance and position of the company together with a description of the principal risks and uncertainties that the company faces.

On behalf of the Board

Victoria Killay
Chairman
20 May 2011

Independent Auditor's Report

to the members of Blue Planet Financials Growth & Income Investment Trust No 1 plc

We have audited the financial statements of Blue Planet Financials Growth & Income Investment Trust No 1 plc for the year ended 31 March 2011 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent Auditors' Report (continued)

Scope of the audit of the financial statements

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

Opinion of financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its total net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, 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 contained within the Directors' Report in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Robert Topley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh
United Kingdom

20 May 2011

Notice of Annual General Meeting

NOTICE is hereby given that the 15th Annual General Meeting of the following companies (hereinafter referred to collectively as the "Companies") will be held at the Registered Offices, Greenside House, 25 Greenside Place, Edinburgh, EH1 3AA on 4 August 2011 at the times stated:

Blue Planet Financials Growth and Income Investment Trust No 1 plc (Registered Number 162796) at 11.00am.

Blue Planet Financials Growth and Income Investment Trust No 2 plc (Registered No. 162797) at 11.05am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 1 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 3 plc (Registered No. 162798) at 11.10am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 2 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 4 plc (Registered No. 162799) at 11.15am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 3 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 5 plc (Registered No. 162800) at 11.20am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 4 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 6 plc (Registered No. 162801) at 11.25am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 5 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 7 plc (Registered No. 162802) at 11.30am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 6 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 8 plc (Registered No. 162803) at 11.35am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 7 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 9 plc (Registered No. 162804) at 11.40am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 8 plc convened at the same place and on the same date shall have been concluded or adjourned.

Blue Planet Financials Growth and Income Investment Trust No 10 plc (Registered No. 162805) at 11.45am or as soon thereafter as the Annual General Meeting of Blue Planet Financials Growth and Income Investment Trust No 9 plc convened at the same place and on the same date shall have been concluded or adjourned.

The meetings are being held for the following purposes in respect of each of the Companies:

Routine business

As routine business, to consider and, if thought fit, to pass the following resolutions of which resolutions 1 to 6 will be proposed as ordinary resolutions and resolution 7 as a special resolution:

1. To receive the accounts for the financial year ended 31 March 2011, together with the reports of the Directors and Auditors thereon;
2. To approve the Directors' Remuneration Report for the financial year ended 31 March 2011.
3. To re-elect Ms Killay as a Director of the Company.

   Victoria Wendy Killay, MA, aged 53, has been a non executive Director of the Company since its inception in 1996 and was appointed Chairman of the Company in 31 March 2005.

   Ms Killay has over 28 years' experience in financial markets. She trained as a Financial Analyst with Merrill Lynch and Schroder Investment Management Ltd in London before joining IDS, a subsidiary of American Express, where she became a Fund Manager with special responsibility for Continental European stockmarkets and the United Kingdom. She was also Director of Marketing for CDC Investment Management Ltd, a subsidiary of La Caisse des Depots et Consignations, one of France's largest and most respected financial institutions. For the last decade, Ms Killay has been working as a consultant researcher for a number of management consultants in the financial sector. Not withstanding that Ms Killay has been a Director of the Company for more than 9 years the Directors believe that Ms Killay has made a valuable contribution to the Board over the years and will provide continuity of experience to the Board's deliberations and therefore recommend her re-election to the Board.

Notice of Annual General Meeting *(continued)*

4. To re-elect Mr Bucknell as a Director of the Company.

   Mr Bucknell, aged 35, is the Chairman and Chief Executive of Blue Planet Investment Management Ltd, the Company's Investment Manager. He is a Director of the European Income Trusts plc, Blue Planet Holdings Ltd and Blue Planet Global Financials Fund. He is a graduate of Edinburgh University and has a BEng with Honours in Civil Engineering. He is the Honorary Treasurer for the Anglican Chaplaincy in Malta and Gozo and was a Trustee and Honorary Treasurer for the English speaking Union (Scotland) for two years, prior to his move to Malta. The Directors believe it is important to have a representative of the Manager on the Board and therefore recommend Mr Bucknell's re-election to the Board. He joined the Board on 7 September 2010.

5. To re-appoint Deloitte LLP as auditors and to authorise the Directors to fix their remuneration.

6. THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 549(1) to (3), 551(1) and 559 the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares up to an aggregate nominal value of £45,000, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever is the earlier, but so that such authority shall allow the Company to make offers or enter into agreements before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

7. THAT the Directors be and are hereby empowered, until the expiry of 15 months after the date of the passing of this resolution or the conclusion of the next Annual General Meeting of the Company whichever is the earlier, pursuant to section 570(1) and (2), 573(3) and (5) of the Act to:

(a) allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred by resolution as if section 561(1) of the Act did not apply to any such allotment; and

(b) sell ordinary shares (as defined in section 560(1) of the Act) in the Company if, immediately before the sale such shares are held by the Company as treasury shares (as defined in section 724(5) of the Act) ("treasury shares") for cash (as defined in section 727(2) of the Act) as if section 560(1) of the Act did not apply to any such sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

   (i) in connection with a rights issue, open offer and other pro rata issue or offer to shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (or as near as may be) to the respective number of shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of, or requirements of any regulatory body or any stock exchange in, any territory;

   (ii) the allotment of ordinary shares in connection with the Blue Planet Savings Plan (as amended from time to time); and

   (iii) (otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) above) the allotment of equity securities up to £6,800 provided that the subscription price payable in respect of any security allotted pursuant to this sub-paragraph (iv) shall not be less than the most recent unaudited net asset value of the security concerned which is available at the time of allotment; but so that this authority shall allow the Company to make offers or enter into agreements before the expiry of this authority which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of such offers or agreements as if the powers conferred hereby had not expired.

Non-Routine business

As non-routine business, to consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions:

8. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 693 and 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of any of its ordinary shares of 1 pence each in the capital of the Company ("ordinary shares") on such terms and in such manner as the Directors may from time to time determine provided that:

   (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 2,049,000;

   (b) the minimum price which may be paid for an ordinary share shall be 1 pence which amount shall be exclusive of expenses, if any;

   (c) the maximum price which may be paid for an ordinary share shall be not more than five per cent above the average of the middle market quotation derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased; and

Notice of Annual General Meeting *(continued)*

(d) unless previously renewed, revoked or varied, the authority hereby conferred shall expire 15 months after the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever is the earlier, save that the Company may prior to such expiry enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after such expiry and may make purchases of ordinary shares pursuant to it as if the authorities had not expired.

9. To approve the continuance of the Company.

By order of the Board

Blue Planet Investment Advisers Ltd
Company Secretary
Edinburgh
27 June 2011

Notes

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders entered in the register of members of the Company as at 6:00pm on 2 August 2011 or, if the meeting is adjourned, in the register of members at 6:00pm pm on the second day prior to the day of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 6:00pm on 2 August 2011 or, if the meeting is adjourned, in the register of members after 6:00pm on the second day prior to the day of the adjourned meeting, shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting or at any such adjournment

2. A member entitled to attend and vote at a meeting convened by the foregoing Notice is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote instead of him/her .A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share held by him\her. If no name is entered, the return of the proxy form duly signed will authorise The Chairman of the Meeting to act as your proxy.

   In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's 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 Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting.

   For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's 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 Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting.

   CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no later than 48 hours before the time appointed for the meeting.

3. A Form of Proxy for use at the above Meeting and the letter of power of attorney (if any) or other authority under which it is signed or a notarially certified copy of such power or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the Directors should be deposited at the office of the Company's registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR, or by envelope addressed to Freepost RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, to arrive not less than 48 hours before the time of the Meeting (disregarding any part of a day that is not a working day).

4. Completion of a Form of Proxy will not prevent shareholders from attending a Meeting and voting in person should they so wish.

5. If two or more persons are jointly entitled to a share conferring the right to vote, any one of them may vote at the Meeting either in person or by proxy, but if more than one joint holder is present at the Meeting either in person or by proxy, the one whose name stands first in the register of members in respect of the joint holding shall alone be entitled to vote in respect thereof. In any event, the names of all joint holders should be stated on the form of proxy.

6. If this form is returned without any indication as to how the person(s) appointed shall vote on the resolutions, such person(s) will exercise his/her/their discretion as to how to vote or whether to abstain from voting.

7. Information regarding this notice of Annual General Meeting including the total voting rights of members can be found on the Blue Planet website www.blueplanet.eu

Officers and Advisors

Directors
Victoria W Killay (Non-Executive Chairman)
Glenn Cooper (Non-Executive)
Dean Bucknell (Non-Executive) – appointed on 7 September 2010
Kenneth Murray (Non-Executive) – resigned on 7 September 2010

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Capita Registrars
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Blue Planet Investment Management Ltd is authorised and regulated by the Malta Financial Services Authority.
Blue Planet Investment Advisers Ltd is authorised and regulated by the Financial Services Authority.
Blue Planet Financials Growth & Income Investment Trusts plc are members of the Association of Investment Companies.

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Website Information

Please take the time to visit our website:

www.blueplanet.eu

If you wish to receive a monthly fact sheet on the trusts please visit:

http://www.blueplanet.eu/index.136.html

To download historical Annual and Interim reports and past monthly fund factsheets:

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