COMPANY NUMBER: 5020752

iimia Investment Trust PLC

Annual Report for the year ended
30 April 2008

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Contents

Investment Objective and Policy

iimia Investment Trust PLC (the Company) is an investment trust which was launched on 6 April 2004

The Company does not have a fixed life but the Articles of Association provide for the continued life of the Company to be proposed at the fifth Annual General Meeting and at every third Annual General Meeting thereafter

Capital Structure
The Company's share capital consists of Ordinary shares of 1p each

The number of shares in issue as at 30 April 2008 was 27,150,985, none of which were held in Treasury The number of shares in issue at the date of this report is 26,386,985

Investment Objective
The objective of the Company is to achieve absolute returns, principally through investing in closed-end funds This may lead, on occasions, to a significant amount of cash or near cash being held

The emphasis on absolute returns is demonstrated by benchmarking the Company's net asset performance against the notional returns available for cash (assumed as 3 month LIBOR + 2%) rather than against the performance of an equity index This benchmark is a target only and should not be treated as a guarantee of performance of the Company or its portfolio

Investment Policy
The Company invests in closed-end investment funds listed on the Official List of the London Stock Exchange, but has the flexibility to invest in investment funds listed or dealt on other recognised stock exchanges, in unlisted closed-end funds (including, but not limited to, funds traded on AIM) and in open-ended investment funds The funds in which the Company invests may include all types of investment trusts, companies and funds established onshore or offshore The Company has the flexibility to invest in any class of security issued by investment funds, including, without limitation, equity, debt, warrants or other convertible security In addition, the Company may invest in other securities, such as non-investment fund debt, if deemed to be appropriate to produce the desired returns to shareholders

Risk Management
The Company risk management process aims to mitigate undesirable risk However, it is important to note that the systems in place act only to highlight areas of risk and cannot eliminate the risk of failure to achieve the Company's objectives The management of risk cannot provide assurance against material loss

Asset Allocation
The Company is a 'multi-asset' fund of funds and seeks to diversify the portfolio through investment in a wide range of asset classes, industrial sectors, currencies and geographical regions The Company will not invest in physical commodities

The Board imposes no prescriptive limits on allocation of assets, though in order to maintain classification within the AIC Global Growth sector no more than 80% of assets can be held in any one geographical region

Asset allocation is monitored on a look-through basis for all underlying funds Resulting analysis is considered as part of the stock selection process

Correlation and Number of Funds Held
The Manager recognises that funds of funds are naturally more diverse than a fund of individual equities, thus, they suffer from the danger that over-diversification will lead to an Investment Trust, contrary to its objectives, tracking a world equity market The Company is unrestricted in the number of funds it holds, however, at the time of acquisition no investment will have an aggregated value totalling more than 15% of the gross assets of the Company

Correlation between the Company, its sector, and appropriate world equity indices is monitored and analysed as part of the stock selection process

Hedging

The Manager may employ hedging techniques to isolate the risks associated with specific investments or markets For example, the Manager may wish to invest in an overseas fund which it believes will outperform its benchmark index and that the fund's discount will narrow, but that the currency and market risk exposure are undesirable In this instance the Manager may seek to isolate these risks through the use of futures, options or contracts for differences There are no limits imposed on the size of hedging contracts, however, their aggregated value will not normally exceed 20% of the portfolio's gross assets The Company will not enter into derivative contracts for speculative purposes

Gearing

Gearing of the portfolio aims to enhance returns through investment of borrowed funds The Board permits short term borrowings of up to 20% of the Company's net asset value

Gearing of both the Company's portfolio and the underlying funds is monitored

Underlying funds may also be geared, this is taken into account during the stock selection process

Discount Risk

The Company aims to maximise on the opportunities that exist due to inefficiencies in the pricing of closed-end funds Purchasing stocks that are trading at a discount can result in significant gain on the upside, but can also result in increased losses during downside periods The actual discount, discount volatility and discount management policy of underlying holdings is monitored and analysed alongside market trend indicators Results are considered as part of the stock selection process

Investment in open-ended funds reduces the overall discount risk of the portfolio This also allows exposure to sectors in which growth is expected but discount risk is high, or sectors in which closed-ended funds are under-represented The Board limits investment in these funds to 25% of the portfolio at acquisition

Manager Risk

The Company seeks to minimise manager risk through regular meetings with the management teams of underlying holdings Thorough research is undertaken on the investment strategy, ethic and personal approach of all managers involved with funds prior to their inclusion within the Company portfolio

Liquidity

Market and asset specific liquidity can pose significant risk to the Company, particularly in difficult market conditions Volume and price based trade measures are monitored for underlying assets and every effort is made to ensure that a proportion of the Company's assets are invested in readily realisable funds

Graphical Evidence, Market Sentiment Indicators and Technical Charts

The Manager has access to a wide range of research, both external and internal Consideration of trend indicators, technical charts and graphical evidence aids the Manager in application of their knowledge and experience in selecting stocks and assessing the overall risk of specific and collective investments

Company Summary

Objective and policy	Presented on page 1
Benchmark	3 month LIBOR plus 2%, as at commencement of performance period
Management Company	iimia plc See page 15 for further details
Total net assets	£38,574,000 as at 30 April 2008
Market capitalisation	£36,178,688 as at 30 April 2008
Capital structure	27,150,985 Ordinary 1p shares as at 30 April 2008
Continuation vote	2010
Management fee	0 5% per annum of adjusted market capitalisation of the Company, valued at the close of business on the last business day of each month See page 15 for further details
Performance fee	15% of the growth of the adjusted net asset value per share in excess of a hurdle of 3 month LIBOR plus 2% See page 15 for further details
Total expense ratio	1 2% (1 2% if performance fee is included)
ISA status	The Company is fully eligible for inclusion in ISAs
AIC	The Company is a member of the Association of Investment Companies

Summary of Results

	30 April 2008	30 April 2007	% change
Net assets	**£38 57m**	£49 08m	
Net asset value per Ordinary share	**142 07p**	160 36p	(11 41)%
3 month LIBOR plus 2%†	**7 73%**	6 67%	
Share price	**133 25p**	154 25p	(13 61)%
Discount to net asset value	**(6 21)%**	(3 81)%	

	Year ended 30 April 2008	Year ended to 30 April 2007
Total return per Ordinary share	**(19 04)p**	11 29p

† As at commencement of performance period

Directors and Advisers

Directors (all non-executive)

Anthony Townsend, 60, Chairman Anthony Townsend has spent over 35 years working in the City and was chairman of the Association of Investment Companies from 2001 to 2003 He is chairman of British & American Investment Trust PLC, F&C Global Smaller Companies PLC and Finsbury Growth & Income Trust PLC and a director of Finsbury Worldwide Pharmaceutical Trust PLC

James Fox, 65 James Fox has over 35 years experience in investment management and the investment trust industry He is a past deputy chairman of the Association of Investment Companies and a past chairman of the Association's Tax Committee He is a non executive director of JP Morgan American Investment Trust plc (also chairman of the audit committee)

Nick Hodgson, 46 Nick Hodgson has over 20 years experience in sales and marketing of collective investment vehicles to both UK and overseas investors From 2000 to 2003 he was a director of Rothschild Asset Management Limited, responsible for all retail activities and a member of its executive committee Between 2003 and early 2007 he was the sales and marketing director for Framlington and subsequently head of closed-ended funds for AXA Framlington, and sat on its executive committee He was also a director of the Framlington AIM VCT plc and Framlington AIM VCT 2 plc Since January 2008 he has been providing marketing and sales consultancy to various asset management companies

Michael Phillips, 46 Michael Phillips is the chief executive of Midas Capital plc, the Aim listed holding Company of iimia plc, the Company's Investment Manager He co-founded Christows Limited ('Christows') in 1991 and in a period of nine years built Christows into a group with funds under management of over £500 million on behalf of approximately 3,000 clients He was responsible for the day-to-day operations of Christows until January 2001 when, following the acquisition of Christows by the Evolution Group plc, he left to form iimia plc He is a Fellow of the Securities Institute

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iimia plc
23 Cathedral Yard
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Telephone 01392 475900
Website www iimia co uk

Auditors
Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Stockbrokers and Financial Advisers
Intelli Corporate Finance Limited
63 Queen Victoria Street
London EC4N 4UA

Bankers and Custodians
Bank of New York
One Canada Square
London E14 5AL

Registrar and Transfer Office
Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

An investment company as defined under Section 833 of the Companies Act 2006
Registered in England No 5020752
A member of the Association of Investment Companies

Chairman's Statement

The Company commenced trading on 6 April 2004, and it is my pleasure to put before you the fourth annual report for your Company covering the year 1 May 2007 to 30 April 2008

Investment Performance

The period under review proved to be a difficult time for a fund investing in the closed-ended sector Your Company's opening net asset value of 160 36p, which was close to its all-time high, decreased over the year to 142 07p, a loss of 11 41% Over the same period the MSCI World Index fell by 0 97% (total return, in Sterling) Globally, there was a significant differential in performance across the market capitalisation scale during the period, by way of illustration, UK small caps fell by 21% whilst UK large caps were relatively unchanged, declining 1% Therefore mainstream indices failed to reflect the price movement of the median stock

Our benchmark, LIBOR plus 2%, increased by 7 73%, so no performance fee was payable, illustrating the responsive nature of your Company's fee structure, which aligns the interests of the Manager with the shareholders In a non-qualifying year for the performance fee, only the basic management fee of 0 5% of market capitalisation is payable

Against the backdrop of the weakening US economy, the one extreme headwind for the Company throughout the year was the widening of discounts in the closed-ended sector as the de-leveraging process took hold following the tightening of credit facilities It was the less liquid, typically AIM listed, stocks that were particularly hard hit as they are more susceptible to gyrations of investor sentiment The spill over from the US sub-prime story was wide and far reaching as investors' greed turned to fear

The Manager's Report describes the events of the year in greater detail

Discount Management and Buybacks

The total number of shares in issue at 1 May 2007 was 31,243,945, including 638,727 shares that were held in Treasury Between 1 May 2007 and 24 September 2007 a further 570,400 shares were purchased for Treasury Following a board decision not to continue holding shares in Treasury, a total of 1,209,127 shares were cancelled on 2 October 2007 Subsequently, a further 2,883,833 were purchased for cancellation At 30 April 2008 the number of shares in issue was 27,150,985 Since 1 May 2008, a further 764,000 shares have been purchased for cancellation

Your Company's shares traded at an average discount of 4 6% during the year under review (source Bloomberg) This figure is larger than we would wish, due partly to the fact that our 15% buy back power was largely exhausted within the year Prior to the Extraordinary General Meeting held on 14 May 2008 for renewed buyback powers to be approved, the discount widened to levels approaching an 8% discount Subsequently, the discount has narrowed to around 4% The Board endeavours to strike a delicate balance between maintaining a tight discount for shareholders wishing to sell and efficient management of the ongoing portfolio for the benefit of longer term investors

Investment Objective

The Company's investment objective is to achieve absolute returns, through exploiting inefficiencies in the pricing of closed-end funds The Company's investment mandate was broadened in 2006 to permit it to invest in open-ended funds when attractive opportunities present themselves The Board limited investment in such funds to a maximum of 25% of the portfolio This flexibility allows us to invest in assets that are not readily accessible via the closed-ended sector

Our only current open-ended position is Impax Environmental Markets, which is favourably priced compared with its closed-ended sister fund, which is currently trading at a premium This holding accounts for 2 2% of the portfolio as at 30 April 2008

Dividends
The nature of the Company's portfolio during the year under review was such that little income was produced, so as in previous years the Company does not propose to pay a dividend in respect of this year

Outlook
Looking forward, there is a need to balance the inevitable risks that accompany a significant correction in world stock markets against the number of opportunities that have been created by structural change and widening discounts in the expanding closed-ended sector Our Investment Managers are not short of interesting investment ideas, but a cautious approach is called for in these volatile times

Anthony Townsend

Anthony Townsend Chairman
30 July 2008

Manager's Report

Having re-read my comments from last year's annual report, the summer of 2007 certainly seems a long time ago I note that I commented that "given that equities have been rising almost without interruption since March 2003, funds that offer risk adjusted returns have become somewhat unfashionable" Subsequent events have led investors to reassess their attitude to risk The first shocks from the credit crunch were less than a week away and the investment landscape has subsequently become very different

For much of the year under review, despite signals of distress becoming apparent, both investors and the authorities remained in denial about the scale of challenges which faced the global financial system, and which had resulted from the reversal of the trend of ever increasing leverage being offered by the banks The phoney war was ended by a severe slump in equities during the first few days of January that triggered a range of robust responses from the central banks, most notably the US Federal Reserve These included, sizable tax cuts for American families, a total 125 basis point reduction in interest rates, attempts to prop up the monoline insurers and a relaxation of the restrictions which prevented Fannie Mae and Freddie Mac from purchasing certain mortgages in the open market

These measures ensured a temporary respite for investors However, in March, Bear Stearns came close to collapse If the bank had failed, this could have brought down some of its peers A domino-like chain of failures would have threatened to undermine the whole financial system The speed and efficiency of the Bear Stearns rescue was in direct contrast to how the Northern Rock debacle was handled here in the UK Bear Sterns ran into severe liquidity problems on a Thursday, had been found a cash injection on the Friday afternoon, and by Sunday agreement had been reached for the bank to be acquired by JP Morgan This ensured a return to orderly markets and the turmoil in the days ahead of the Bear Stearns rescue may have marked a low point for equity markets

Looking forward, despite feeling more optimistic than most, we fully expect a period of consolidation during the summer The vast liquidity still being pumped into the banking system will need to find a home It is distinctly possible that it will underpin a range of asset classes including commodities and equities Global economic growth looks likely to stay positive, albeit it will be generated by a combination of pedestrian growth in the west and robust activity within the "new" economies

The trend of stronger growth from the developing nations reflects a structural change, which we expect to last for some time, maybe a generation After the end of the Second World War, a substantial number of countries opted to operate under a planned economy This led to a misallocation of resources on a grand scale and ultimately, after a couple of generations, the planned system proved unworkable Nations such as Brazil, India, China, Russia and much of Eastern Europe have returned to the capitalist system with a significant competitive advantage The period between 1945 and the 1990s was an aberration, we have now entered a period of normalisation, the implications of which are many but will certainly include a relative decline in the living standards within the developed west as increased wealth elsewhere leads to greater competition for the planet's resources, most notably raw materials and food

At the time of our secondary issue in Spring 2006, our view was that, in future, the trust cycle would be much flatter than it had been in the past Markets had become more sophisticated, particularly with regard to hedging techniques that allow activist investors to remove market risk when building a hostile stake in the shares of a target fund We reasoned that within this new environment, it would be difficult to envisage trusts trading on a double-digit discount without becoming vulnerable to attack In practice, the discount cycle has remained alive and well Any discount risk that we assumed within our portfolio has proved painful

One factor behind the slide in the share prices of a number of trusts has been that in the wake of the credit crunch, arbitrageurs found that they were on the receiving end of redemptions, furthermore, they found that their prime brokers no longer felt comfortable with the heroic leverage that they had previously been happy to fund and forced these investors to de-gear Therefore, at the very moment when we expected activist investors to be exploiting market weakness, they were in fact turned into forced sellers This led to the closed ended market breaking down The "new breed" were hardest hit This was predictable We commented in last year's annual report that "once momentum breaks down, markets will become more challenging Fear will replace greed as the market's over-riding emotion, this will trigger imbalances and anomalies within the closed ended sector The new breed of closed ended fund will be particularly vulnerable to the ebbs and flows of emotion"

Whilst we only held a very modest exposure to this area, it was sufficient to become a material drag on the year's performance Prospect Epicure J-REIT and German property vehicle Develica Deutschland had a negative 3% effect on the net asset value of the Company between them, as both share prices halved during the period We conclude that whilst the cycle remains the same, the names have changed In recent months, the old guard of familiar conventional investment trusts have seen their ratings recover and as a whole are not trading at dissimilar ratings to those of twelve months ago The managements of these funds have learnt lessons and have generally been on the front foot with regard to buy backs and have been proactive in the use of gearing The boards of these trusts are fully conversant with the dangers of debt in adverse market conditions

Conversely the managers of many "new breed" funds are as new to running publicly listed companies as their shareholders are to owning them, mistakes have been made on both sides and for many the learning process has been torrid Looking forward, it is within this arena that the greatest opportunities lie The potential for profits is every bit as great as that offered by the last standing remnants of the split capital market back in the early months of 2003 Uncertainty abounds and under such circumstances share prices tend to fall until the bad news can be quantified Investors are unsure as to why some share prices have fallen and fear that the reason is yet to enter the public domain The assets are often difficult to value, as many of the manager's alternative asset classes do not mark their portfolios to market on a regular basis Therefore, shareholders are not confident that stated net asset value is an accurate reflection of realisable value

Furthermore, news flow has often been erratic, as the manager's previous experience has often been running hedge funds or limited partnerships, where traditionally clients do not enjoy the same level of access as exists within the investment trust industry It is almost impossible for investors to research this universe meaningfully without the benefit of plenty of time and resources Therefore, current share prices reflect the fact that the wheat and the chaff are yet to be sorted Even the most optimistic regard these deeply discounted opportunities as value traps imia Investment Trust has become arguably the most effective route for investors to access this area

The consolation that can be taken from a difficult year under review is that if the trust cycle remains alive and well, the exceptional returns that have been achieved from this strategy in previous years are also not a feature of the past

There was a contribution in excess of 2% of net asset value from our hedging activity, which in past years has been a drag The majority of these positions were removed during March, close to what proved to be a medium term low Only a modest hedge on the Nikkei remained at the financial year-end We believed that the extremely weak market prices already reflected adverse news in the pipeline This negated the need for portfolio insurance

Our strategy of diversification of risk by incorporating a wide range of themes within the portfolio was not helpful in a year when most returns were generated by a very narrow range of sectors including resources, emerging markets and agriculture Whilst our holdings in Invesco Asia, City Natural Resources, India Capital Growth and Aberdeen All Asia all appreciated strongly, we would have had to put all our eggs into these baskets to have topped league tables this year

Life Opportunities Trust, which invests in second hand endowment polices, was also a useful contributor Funds with a fixed redemption date often perform very strongly during the last eighteen months of their life A similar performance can be expected this year from Japan Accelerated, which is due to wind up in 2009 yet still trades 20% below its probable redemption value

Conversely, the most significant drag on returns this year has come from our investment in Prospect Epicure J-REIT Whilst the assets of the underlying Japanese Real Estate Investment Trusts have risen in value, the open market prices of these vehicles have been caught in the cross-fire of a global rush to escape from property investment A number of US managed sector specialist hedge funds have had to cope with redemptions and have been forced to sell their holdings in this area Many share prices have been driven down to levels where they yield between 7% and 9% These are enormous returns within a Japanese context, where deposits usually offer interest rates of below 1% The weakness of J-REITs continues to baffle many experienced investors in the Tokyo market

The fall in Develica Deutschland's share price was driven by fears that Citibank, its main lender, had become weakened and would be forced to call in its loan Develica's management team has left itself little flexibility by drawing close to the limit of its borrowing facilities An environment where investors are fearful of leverage has seen these shares fall to €0 18 despite the stated net asset value remaining over €1 00 The risk reward dynamics of this situation are skewed to the upside Develica's problems are a textbook example of the travails of many "new breed" funds

Our largest holding, F&C UK Select, had a slightly disappointing year, losing 13% However its performance was consistent with a mandate that invests across the entire UK equity universe, incorporating some blue chips but predominantly medium and smaller sized companies The FTSE 100 Index's decline of around 4% was less than the typical London listed stock During the twelve months to 30 April, the FTSE 250 Index fell more than 12% whilst the FTSE Small capitalisation index slumped 21% Our other UK small cap holdings, Herald and Active Capital, were also harshly treated We acquired our stake in F&C UK Select at a time when it was severely out of favour with investors, therefore we retain a significant unrealised profit on this investment

Our focus away from the bigger more liquid names within the closed-ended sector has meant that our performance has suffered from the small cap effect However, at present, the challenge is deciding which of the many buy ideas to incorporate within the portfolio The sector has rapidly become much larger and more diversified, leading to more frequent opportunities to exploit value

Looking forward, whilst the dominant theme is the undervaluation of the closed-ended sector itself, there are a number of sub themes which will dictate the success or otherwise of our portfolio during the coming year The technology sector is trading as a cyclical, however a by-product of the changes to the world order that we have discussed is that much of the capital spending being undertaken in the developing nations will benefit this industry This structural growth is being ignored A number of recent meetings with trusted fund managers have highlighted the fact that they believe that "real businesses" in the UK are now cheaply valued even assuming a static economy for the foreseeable future We expect to benefit from our hidden value theme, investee investment trusts such Artemis Alpha, Establishment Trust and EP Global own stakes in their managers All are at a relatively early stage of their lifecycles and are still in a structural growth phase Smaller companies in India have been savaged since the turn of the year Many have halved in value already in 2008 and there are plenty of decent companies that have fared even worse This is a natural development in a young stock market as few investors have experienced a bear market Despite dramatic progress within the Indian economy, second line stocks are back where they were two years ago The word "property" in the title of a closed-ended fund seems to strike terror into the hearts of investors irrespective of where the property is located Large discounts apply to markets from Hannover to Macao despite their not suffering from a hangover from the excesses seen in places such as Ireland, the UK and the US We have also found some interesting niches in Japan despite the moribund nature of the local economy

iimia Investment Trust NAV Total Return vs Global Growth General Section Total Return
Source Intelli Corporate Finance Limited

Nick Greenwood Chief Investment Officer
iimia plc

30 July 2008

Portfolio Valuation
as at 30 April 2008

	Type of share/entity held	Fair value 30 April 2008 £'000	Fair value 30 April 2007 £'000	% of Portfolio
F&C UK Select Trust	Ordinary	2,608	3,978	6 47
Japan Accelerated Performance Fund	Participating	2,488	2,436	6 17
Polar Capital Technology Trust	Ordinary	1,922	520	4 77
Global Special Opportunities Trust	Income	1,815	2,111	4 50
City Natural Resources High Yield Trust	Ordinary	1,748	2,133	4 34
Artemis Alpha Trust	Ordinary	1,702	2,380	4 22
Life Office Opportunities Trust	Ordinary	1,560	1,192	3 87
Schroder UK M&S	Ordinary	1,346	–	3 34
EP Global Opportunities Trust	Ordinary	1,314	2,075	3 26
SR Europe Investment Trust	Ordinary	1,310	1,833	3 25
Establishment Investment Trust	Ordinary	1,259	606	3 12
INVESCO Asia Trust	Ordinary	1,218	2,013	3 02
Herald Investment Trust	Ordinary	1,208	2,682	3 00
Strategic Equity Capital Trust	Ordinary	1,093	722	2 71
The Biotech Growth Trust	Ordinary	1,063	931	2 64
Jupiter Second Split Trust	Capital	1,060	869	2 63
Terra Catalyst Fund	Ordinary	960	–	2 38
Impax Environmental Markets	Open-ended fund	886	847	2 20
Equity Partnership Investment Trust	Capital	828	1,373	2 06
F&C Private Equity	Ordinary	786	–	1 95
KGR Absolute Return Trust	Participating Preference	771	–	1 91
CQS Rig Finance Fund	Ordinary	760	1,040	1 89
Dolphin Capital Investment	Ordinary	714	–	1 77
JPMorgan Fleming Japanese Smaller	Ordinary	669	680	1 66
Prospect Epicure J-REIT Value Fund	Ordinary	663	2,399	1 65
Alliance Trust	Ordinary	654	2,609	1 62
Alpha Tiger Property Trust	Ordinary	638	–	1 58
Midas Income & Growth Trust	Ordinary	623	853	1 55
Morant Wright Japan	Ordinary	611	–	1 52
Naya Bharat Property	Ordinary	586	747	1 45
Active Capital Trust	Ordinary	575	1,664	1 43
London Asia Chinese Private Equity	Ordinary	564	708	1 40
Private Equity Investor	Ordinary	552	830	1 37
Prelude Trust	Ordinary	526	–	1 31
RAB Special Situations Company	Ordinary	523	1,387	1 30
Lewis Charles Sofia Property Fund	Ordinary	486	534	1 21
LMS Capital	Ordinary	402	–	1 00
Geiger Counter Ltd	Ordinary	398	–	0 99
Gartmore Growth Opportunities Trust	Ordinary	395	495	0 98
Epic Reconstruction	Ordinary	393	553	0 98
Develica Deutschland	Ordinary	387	891	0 96
Principle Capital Investment Trust	Ordinary	228	–	0 57
Aberdeen All Asia Investment Trust	Ordinary	–	673	0 00
AXA Framlington Biotech Fund	Open-ended fund	–	586	0 00
Economic Lifestyle Properties Investment Company	Capital	–	3	0 00
Gartmore Irish Growth Fund	Ordinary	–	955	0 00
India Capital Growth	Ordinary	–	778	0 00
JPMorgan Fleming Japanese Investment Trust	Ordinary	–	1,401	0 00
The Value Catalyst Fund	Ordinary	–	834	0 00
Mid Wynd International Investment Trust	Ordinary	–	579	0 00
Perpetual Japanese Investment Trust	Ordinary	–	940	0 00
Speymill Deutsche	Ordinary	–	735	0 00
SR Europe Investment Trust	Warrants	–	117	0 00
Total		**40,292**	**51,692**	**100 00**

Report of the Directors
(Which incorporates the Corporate Governance Statement on pages 18 to 22)

The Directors present their report and financial statements for the year ended 30 April 2008 The Company was incorporated under the name of iimia Investment Trust plc on 20 January 2004 and commenced investment on 6 April 2004 The Articles of Association provide for the shareholders to consider the winding up of the Company at the fifth Annual General meeting to be held in 2010 and every three years thereafter

Business Review

Principal Activity and Status

The principal activity of the Company is to carry on business as an investment trust The Company has been granted provisional approval from HM Revenue & Customs as an authorised investment trust under Section 842 of the Income and Corporation Taxes Act 1988, for the year to 30 April 2007 The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 April 2008 so as to be able to continue to obtain approval as an authorised investment trust In accordance with the provisions of Sections 832 and 833 of the Companies Act 2006, the Company is an investment company The Directors do not envisage any change in this activity in the future

The Company's status as an investment trust allows it to obtain an exemption from paying taxes on the profits made from the sale of its investments Investment trusts offer a number of advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at low cost

The objective of the Company is to achieve absolute returns principally through investing in closed-ended funds The Company holds a portfolio containing around 54 stocks but it is not restricted from holding a more or less concentrated portfolio in the future However, each investee company represents a portfolio in its own right reflecting diversification on a look through basis

Performance

The Chairman's Statement on pages 5 and 6 and the Investment Manager's Report on pages 7 to 9 give details of the Company's activities, performance and position during the year under review

The key performance indicators ('KPIs') used to measure the progress of the Company during the year under review are as follows

- Net asset value ('NAV')
- The movement of the NAV compared to the notional returns available for cash, the Company benchmark 3 month LIBOR + 2%
- The movement in the Company's share price
- Discount of the share price in relation to the NAV

Information relating to the KPI's can be found in the Summary of Results on page 3

Investment Policy

In accordance with the new listing rule 15 2 7 the Company has published an investment policy, as highlighted on pages 1 and 2, which contains information on the policies which the Company will follow relating to asset allocation, risk diversification and gearing, and includes maximum exposures, where relevant

Details of all investments are shown on page 10

Principal Risks

The Board considers the following as the principal risks facing the Company Mitigation of these risks is sought and achieved in a number of ways Information regarding the risk assessment and control procedures is given on pages 21 and 22

Market Risk

The Company is exposed to market risk due to fluctuations in the market prices of its investments

The Company may hold a substantial proportion of the portfolio in cash or cash equivalent investments from time to time Whilst during positive stock market movements the portfolio may forego notional gains, during negative market movements this may provide protection

The Investment Manager actively monitors economic and Company performance and reports to the Board on a frequent and informal basis The Board formally meets with the Investment Manager on a quarterly basis when the portfolio transactions and performance are reviewed The Management Engagement Committee meets at least once a year to review the performance of the Investment Manager

The Company is dependent on the services of the Investment Manager's investment team for the implementation of its investment policy

Discount Volatility
As with many investment trust companies, discounts can fluctuate significantly

The Board has and intends to continue to operate an active discount management policy through the use of share buybacks The Company purchased 2,883,833 Ordinary 1p shares for cancellation during the year (2007 638,727 shares for Treasury)

The operation of the discount management policy is detailed below under the headings Share Issues and Purchase of Own Shares

The Board encourages the Investment Manager to market the Company, so as to increase the demand for its shares, which in turn is intended to help reduce the discount

Regulatory Risks
A breach of Companies Act regulations and Listing Rules may result in the Company being liable to fines or the suspension from the London Stock Exchange The Board has a service level agreement with the Secretary, which includes the regular review of compliance with the above mentioned regulations The compliance and regulatory risks are reviewed by the Audit Committee at each meeting

Compliance with Section 842 of the Income and Corporation Taxes Act 1988
If the Company did not comply with the provisions of Section 842, it would lose its investment trust status In order to minimise this risk, the Directors, the Investment Manager and the Company Secretary monitor the Company's compliance with the key criteria of Section 842 on a monthly basis On a quarterly basis, compliance with these provisions is discussed in detail between the Board and the Investment Manager and, furthermore, the Investment Manager provides the Board with a quarterly assurance that, to the best of its knowledge, the provisions of Section 842 relating to investments have been adhered to at all times during the period

Gearing
As at 30 April 2008 the Company had drawn down £3,750,000 against a revolving credit facility of £7,500,000, which is available to 29 May 2009 and is subject to certain covenants

A breach of the loan covenants may lead to funding being reduced or withdrawn The Board monitors compliance with the loan covenants at each Board meeting and regularly reviews the loan, and the need for it, with the Investment Manager The industry loan provider ratings are actively monitored Further details are set out in note 11 to the accounts on pages 37 and 38

Further information regarding details of these risks is included in note 19 to the accounts on pages 40 and 41

Current and Future Developments
The marketing and promotion of the Company will continue to involve the Board, the Company's Broker and Investment Manager Please refer to the Chairman's Statement on pages 5 and 6 and the Investment Manager's report on pages 7 to 9 for further information on the likely future development of the Company

Share Issues
At 1 May 2007 the Company had 31,243,945 Ordinary shares in issue of which 638,727 were held in Treasury At 30 April 2008 the number of shares in issue was 27,150,985 and at the date of this report is 26,386,985

The Directors have the authority to issue share up to an aggregate nominal amount equal to the total authorised but unissued share capital as at 26 January 2004 The number of shares remaining under this authority, which expires on 25 January 2009 is 48,765,055

The Directors will only issue new shares if they believe it would be in the best interests of the Company's shareholders and would not result in a dilution of the net asset value per share Any such issues will be made at a price not less than the prevailing net asset value per share of the Company

Treasury Shares
The Company indicated in its prospectus, published on 9 March 2004, that it intended to make market purchases of its own shares for Treasury where it was cost effective and positive for the management of the Company's capital base to do so The Company is permitted to hold up to 10 per cent of its issued share capital in Treasury and to subsequently cancel or sell such shares for cash At 1 May 2007 the Company held 638,727 Ordinary 1p shares in Treasury During the year a further 570,400 Ordinary 1p shares with a nominal value of £5,704 were purchased for Treasury for a total consideration of £877,190, representing 1 86% of the total share capital making the total number of Ordinary 1p shares held in Treasury 1,209,127 On 2 October 2007 all 1,209,127 shares held in Treasury were cancelled

All share buybacks are made for the purpose of controlling the discount

Purchase of Own Shares
At the Annual General Meeting held on 27 September 2007 the Directors were granted the authority to purchase up to 4,535,947 shares, being 14 99% of the Company's Ordinary share capital During the year, in addition to the shares purchased for Treasury, a further 2,883,833 Ordinary 1p shares were purchased for cancellation for a total consideration of £4,034,992, representing 14 14% of the total share capital On 14 May 2008 an Extraordinary General Meeting was held to approve a Special resolution to renew this authority and authority was granted for the buyback of a further 4,069,933 shares This authority will expire at the conclusion of the Annual General Meeting Since the year end a further 764,000 shares have been purchased for cancellation

Reserves
Please refer to the notes to the Financial Statements on page 33

Dividend
The Directors do not recommend the payment of a dividend in respect of the year ended 30 April 2008

Net Asset Value
The net asset value at 30 April 2008 was 142 07p per share (30 April 2007 160 36p per share)

Annual General Meeting
The Notice of the Annual General Meeting is set out on pages 45 to 48 In addition to the Ordinary business of the Meeting the following resolutions will be proposed as Special business

An Ordinary resolution to replace the Directors' authority to allot shares up to an amount equal to 33 33% of the Company's issued share capital, will be proposed as Ordinary resolution 7

A Special resolution to authorise the Directors to allot new shares or issue shares from Treasury, up to an aggregate and nominal amount of £26,482 which is equivalent to10% of the Company's issue share capital and to disapply pre-emption rights in respect of such shares will be proposed as resolution 8

Resolution 9, which is a Special resolution, will renew the Company's authority to purchase shares, either for cancellation or placing into Treasury

Resolution 10, which is a Special resolution, will if passed, adopt new Articles of Association Company law and best practice has undergone a number of changes since the current Articles of Association of the Company were adopted, particularly since January 2007 when the staged implementation of the Companies Act 2006 (the "2006 Act") commenced The Board considers that it is prudent to replace the Company's existing Articles with new Articles which take account of those developments (the "New Articles")

A summary of the material changes brought about by the proposed adoption of the new Articles is set out in the appendix on pages 49 to 50 of this document Other changes which are of a minor, technical or clarifying nature have not been noted in the appendix

Further amendments to the new Articles may be required as a result of the 2006 Act not being fully in force until October 2009 The 2006 Act represents a major reform of the UK companies' legislation and is being brought into force in stages, with full implementation scheduled by October 2009 It is the Board's intention that any further amendments will be put to the shareholders at the 2009 AGM

A copy of the proposed new Articles marked up to show the proposed amendments will be available for inspection from the date of this document until the conclusion of the AGM during normal business hours on any weekday at the registered office of the Company The proposed new Articles will be available for inspection at any time until the conclusion of the AGM on the Company's website at www iimiainvestmenttrust co uk and shall be available at the venue of the AGM from 15 minutes prior to and until the conclusion of the meeting

Additionally, the Company proposes to increase the maximum aggregate fees paid to non-executive Directors to £100,000

Management Agreements

The Company's investments are managed by iimia plc under an agreement dated 9 March 2004 The investment management fee is calculated at an annual rate of 0 5% of the adjusted market capitalisation of the Company on the last business day of each month The investment management fee accrues daily and is payable in arrears in respect of each calendar month

The Investment Manager is also entitled to receive a performance fee if the share price has increased and the net asset value per share (adjusted to ignore any accrual for unpaid performance fees) exceeds the greater of the following hurdles

(i) 100 pence increased by 3 month LIBOR at the start of the calculation period plus 2%

(ii) The adjusted net asset value per share on the day of the calculation period in respect of which a performance fee was last paid (after any deduction of any performance fee per share paid to the Investment Manager in respect of that period) increased by 3 month LIBOR plus 2%

(iii) The adjusted net asset value per share on the last day of the previous calculation period (after any deduction of any performance fee per share paid to the Investment Manager in respect of that period) increased by 3 month LIBOR plus 2%

In such circumstances the performance fee per share will amount to 15% of any such excess, but will not exceed 2% of the Company's assets as at the last day of the relevant period

No performance fee was payable for the year ended 30 April 2008 or for the year ended 30 April 2007

The Investment Management Agreement may be terminated by six months written notice subject to the provisions for earlier termination as provided therein

There are no specific provisions contained within the Investment Management Agreement relating to compensation payable in the event of termination of the agreement other than the entitlement to fees which would have been payable within any notice period Further details about the Management Agreement are given in note 3

iimia plc is a subsidiary company of Midas Capital plc of which Mr Phillips is a shareholder and the Chief Executive

Company secretarial and administrative services are provided by Capita Sinclair Henderson Limited, under an agreement dated 9 March 2004 The fees for these services are based on a minimum of £50,000 per annum, plus VAT, increasing annually in line with the UK Retail "all items" Index The fees are paid in equal monthly instalments in arrears This agreement may be terminated by six months' written notice subject to provisions for earlier termination as provided therein

Continuing Appointment of the Investment Manager

The Board keeps the performance of the Investment Manager under review It is the opinion of the Directors that the continuing appointment of iimia plc is in the interests of shareholders as a whole The reasons for this view are that the investment performance of the Company is satisfactory relative to that of the markets in which the Company invests and because the remuneration of the Investment Manager is reasonable both in absolute terms and compared to that of the managers of comparable investment companies The Directors continue to believe that by paying the investment management fee calculated on a market capitalisation basis, rather than a percentage of assets basis, together with a performance fee based on absolute returns, the interests of the Investment Manager are more closely aligned with those of shareholders

Directors

The Directors in office during the year and up to the date of this Report are

	Date of original appointment
Anthony Townsend	23 February 2004
James Fox	23 February 2004
Nick Hodgson	23 February 2004
Michael Phillips	23 February 2004

Brief biographical details of the current Directors are shown on page 4

Under the Company's Articles of Association, and in accordance with the AIC Code on Corporate Governance, Directors are required to retire at the first Annual General Meeting following their appointment The Articles also require that one third of the Directors retire by rotation at subsequent Annual General Meetings and that each Director retire every third year Accordingly, Mr Hodgson, being eligible, has offered himself for re-election at the forthcoming Annual General Meeting

Mr Phillips, as a director of the Investment Manager is subject to annual re-election by shareholders in accordance with Listing Rule 15 2 13A and is therefore offering himself for re-election at the forthcoming Annual General Meeting

The Board has separately considered the re-election of Mr Hodgson and Mr Phillips and each of them has been subject to a performance review The Board recommends the election of Mr Hodgson and Mr Phillips on the basis of their individual and collective expertise, experience in investment matters and their continuing effectiveness and commitment to the Company

Other than Mr Phillips, as mentioned above, none of the Directors nor any persons connected with them had a material interest in any of the Company's transactions, arrangements and agreements during this year

At the date of this Report, there are no outstanding loans or guarantees between the Company and any Director

Directors' Beneficial and Family Interests

The interests of the Directors and their families in the Ordinary shares of the Company are set out below

	At 30 April 2008	At 1 May 2007
Anthony Townsend	**25,000**	25,000
James Fox	**40,000**	40,000
Nick Hodgson	**50,000**	50,000
Michael Phillips	**1,000,000**	1,000,000

There have been no changes to any holdings between 30 April 2008 and the date of this Report

Substantial Shareholdings

The Directors have been informed of the following notifiable interests in the Company's voting rights as at the date of this report

	Number of Ordinary shares	% of voting rights*
Midas Capital Plc	3,995,710	15 14
iimia Investment Group	*1,595,710*	*6 05*
Midas Capital Partners	*1,400,000*	*5 30*
Miton Investment Management	*1,000,000*	*3 79*
JP Morgan Asset Management	1,500,000	5 68
Resolution Managed Funds	1,343,385	5 09
RCM (UK)	1,252,484	4 75
Clients of Philip J Milton & Company	1,220,751	4 63
Michael Phillips	1,000,000	3 79
M&G Investment Management	978,904	3 71

* as at the date of this Report

Payment of Suppliers

It is the Company's policy to obtain the best possible terms for all business and, therefore there is no consistent policy as to the terms used The Company agrees with its suppliers the terms on which business will be transacted and it is the Company's policy to abide by those terms At 30 April 2008 there were suppliers' invoices totalling £19,814 (2007 £58,353) that had been received and were outstanding for payment

Audit Information

The Directors who held office at the date of approval of the Report of the Directors' confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Grant Thornton UK LLp has expressed its willingness to continue in office as Auditors of the Company and a resolution for its re-appointment will be proposed at the forthcoming Annual General Meeting

Corporate Governance Statement

Corporate Governance

The Company is committed to the highest standards of corporate governance and the Board is accountable to shareholders for the governance of the Company's affairs

Statement of Compliance with the Combined Code on Corporate Governance

The Board of iimia Investment Trust plc 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 by the AIC Guide, addresses all the principles set out in section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to iimia Investment Trust plc

The Board 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 Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below

The Combined Code includes provisions relating to

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

For the reasons set out in the AIC Guide, and in the pre-amble to the AIC Code the Board considers these provisions are not relevant to the position of iimia Investment Trust plc, being an externally managed investment company The Company has therefore not reported further in respect of these provisions

Board of Directors

The Board consists entirely of non-executive Directors With the exception of Mr Phillips, all the Directors are fully independent of the Investment Manager

The Directors of the Board meet at regular Board meetings, held at least once a quarter and additional meetings are arranged as necessary During the year to 30 April 2008 the number of scheduled Board meetings, additional Board meetings and Audit Committee meetings attended by each Director were as follows

	Scheduled Board meetings	Additional Board meetings	Audit Committee meetings
Anthony Townsend	4 (4)	2 (2)	2 (2)
James Fox	4 (4)	2 (2)	2 (2)
Nick Hodgson	4 (4)	2 (2)	2 (2)
Michael Phillips	4 (4)	2 (2)	n/a

Figures in brackets indicate maximum number of meetings held in the year in respect of which the individual was a Board/Committee member

The Board is responsible for all matters of direction and control of the Company, including its investment policy, and no one individual has unfettered powers of decision The Directors possess a wide range of business and financial expertise relevant to the direction of the Company and consider that they commit sufficient time to the Company's affairs Brief biographical details of the Directors, including details of their significant commitments, can be found on page 4

The Board has established a formal process, led by the Chairman, for the annual evaluation of the performance of the Board, its Committees and the individual Directors The annual appraisal process was conducted by interview The appraisal of the Chairman followed the same process and was conducted by the Chairman of the Audit Committee, Mr Fox

Chairman and Senior Independent Director

The Chairman, Mr Townsend, is deemed by his fellow independent Board members to be independent and to have no conflicting relationships Mr Townsend is chairman of British & American Investment Trust PLC and he has a number of other investment trust directorships but considers himself to have sufficient time to commit to the Company's affairs as necessary

Directors' Independence
In accordance with the AIC Code the Board has reviewed the independent status of each individual Director and the Board as a whole

Mr Phillips is the chief executive of Midas Capital plc, the holding company of the Company's Investment Manager, and is therefore considered not be to independent under the terms of the AIC Code

The AIC Code requires that this report should identify each non-executive Director the Board considers to be independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment, stating its reasons if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which may appear to be relevant to its determination In the Board's opinion Messrs Townsend, Fox and Hodgson are all considered to be independent in both character and judgement, thus the majority of the Board is comprised of independent non-executive Directors

In accordance with the AIC Code, the Board's policy with regard to tenure of office is that any Director having served for nine years since his first election will be required to seek annual re-election thereafter

Board Responsibilities and Relationship with Investment Manager
The Board is responsible for the determination and implementation of the Company's investment policy and for monitoring compliance with the Company's objectives The Company's main functions have been subcontracted to a number of service providers, each engaged under separate legal agreements At each Board meeting the Directors follow a formal agenda, which is circulated in advance by the Company Secretary The Board's main roles are to create value to shareholders, to provide leadership to the Company and to approve the Company's strategic objectives Specific responsibilities of the Board include reviewing the Company's investments, asset allocation, gearing policy, cash management, peer group performance, investment outlook and revenue forecasts and outlook In order to meet these objectives the Company Secretary and Investment Manager provide financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice

The Board has a schedule of matters reserved for decision by the full Board, which was adopted on 24 May 2004, and has been adopted for all meetings

The management of the Company's assets is delegated to iimia plc, which has discretion to manage the assets of the Company in accordance with the Company's objectives and policies At each Board meeting, a representative from the Investment Manger is in attendance to present verbal and written reports covering its activity, portfolio and investment performance over the preceding period Ongoing communication with the Board is maintained between formal meetings The Board and the Investment Manager operate in a supportive, co-operative and open environment

Committees of the Board
Up to 21 March 2007 the Board had appointed a number of Committees, detailed below, to which certain Board functions were delegated Each of these Committees, which were originally established on 24 May 2004, had formal written terms of reference, which clearly defined their responsibilities On 21 March 2007 the Board considered that the matters dealt with by the Nomination Committee and the Remuneration Committee could be more appropriately dealt with by the Board as a whole under the Chairmanship of Mr Townsend To assist it when constituted as a Nomination Committee and Remuneration Committee the Board has agreed a detailed set of terms of reference for each subject area, copies of which may be obtained from the Registered Office The terms of reference of each Committee can be inspected at the Registered Office of the Company

Audit Committee
The Audit Committee comprises all the independent non-executive Directors of the Company and is chaired by Mr Fox The Smith Report's guidance to the Combined Code emphasises the need for "Audit Committee arrangements to be proportionate to the task" With such a small Board, it was deemed both proportionate and practical to involve all Directors except for Mr Phillips The Committee met on two occasions during the year to 30 April 2008

The Committee has since met to review and approve the Company's Annual Report and Accounts for the year ended 30 April 2008 At every meeting all members of the Committee were in attendance

The primary responsibilities of the Audit Committee are to review the effectiveness of the internal control environment of the Company and to monitor adherence to best practice in corporate governance, to make recommendations to the Board in relation to the re-appointment of the auditors and to approve their remuneration and terms of engagement, to review and monitor the auditor's independence and objectivity and the effectiveness of the audit process and provide a forum through which the Company's auditors report to the Board In relation to non-audit services, the Audit Committee reviews the scope and nature of all proposed non-audit services before engagement The Audit Committee also has responsibility for monitoring the integrity of the financial statements and accounting policies of the Company, and receiving reports from the compliance officer of the Investment Manager Committee members consider that individually and collectively they are appropriately experienced to fulfil the role required

Grant Thornton UK LLP are the auditors of the Company The Board believes that auditor objectivity and independence is safeguarded, for the following reasons The extent of non-audit work carried out by Grant Thornton UK LLP is limited and flows naturally from the firm's role as auditors to the Company Grant Thornton UK LLP has provided information on its independence policies and the safeguards and procedures it has developed to counter perceived threats to its objectivity It also confirms that it is independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit team is not impaired

Management Engagement Committee
The Management Engagement Committee comprises all the independent non-executive Directors and is chaired by Mr Townsend In accordance with the requirements of the AIC Code the Committee meets at least once a year to review the performance of the Investment Manager's obligations under the Investment Management Agreement and to consider any variation to the terms of the agreement The Management Engagement Committee also reviews the performance of the Company Secretary, the Custodian, the Registrar and any matters concerning their respective agreements with the Company During the year the Committee met once on 28 June 2007 and all Committee members attended

Nomination Committee
The Nomination Committee comprised all the independent non-executive Directors and was chaired by Mr Townsend It had been formally constituted to assist the Board in making recommendations on all new Board appointments

At the meeting of the Nomination Committee held on 21 March 2007 it was agreed that given the size of the Company and the constitution of the Committee, the matters previously dealt with by the Nomination Committee would in future be dealt with by the Board of Directors

The Board, in its capacity as a Nomination Committee meets at least once a year, to review the size, composition, balance and effectiveness of the Board, review the Directors' performance appraisal process, assess the time commitment required and approve the re-appointment of Directors retiring in accordance with the Articles of Association or the Listing Rules

Remuneration Committee
The Remuneration Committee comprised all the independent non-executive Directors and was chaired by Mr Townsend

At the meeting of the Remuneration Committee held on 21 March 2007 it was agreed that given the size of the Company and the constitution of the Committee, the matters previously dealt with by the Remuneration Committee would in future be dealt with by the Board of Directors

The AIC Code principles relating to Directors' remuneration arrangements for the Directors of the Company can be found in the Directors' Remuneration Report on pages 23 and 24

Independent Professional Advice
The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the Company's expense

The Company has arranged Directors' and Officers' Liability Insurance which provides cover for legal expenses under certain circumstances This was in force for the entire period under review and up to the time the report was approved

Internal Control Review
The Directors are responsible for the Company's systems of internal control and for reviewing their effectiveness

An ongoing process has been in place since 24 May 2004 for identifying, evaluating and managing risks faced by the Company The Board has noted the Financial Reporting Council's 'Internal Control' guidance of October 2005 Key procedures established with a view to providing effective financial control have been in place for the financial year and up to the date of this report

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss

Internal Control Assessment Process
Regular risk assessments and reviews of internal controls are undertaken by the Board in the context of the Company's overall investment objective The review covers the key business, operational, compliance and financial risks facing the Company In arriving at its judgement of what risks the Company faces, the Board has considered the Company's objectives in the light of the following factors

- the nature and extent of risks which it regards as acceptable for the Company to bear within its overall business objective,
- the threat of such risks becoming reality,
- the Company's ability to reduce the incidence and impact of risk on its performance, and
- the cost to the Company and benefits related to the Company and third parties operating the relevant controls

Against this backdrop the Board has split the review into four sections reflecting the nature of the risks being addressed The sections are as follows

- corporate strategy,
- published information and compliance with laws and regulations,
- relationship with service providers, and
- investment and business activities

Given the nature of the Company's activities and the fact that most functions are subcontracted, the Directors have obtained information from key third party suppliers regarding the controls operated by them To enable the Board to make an appropriate risk and control assessment, the information and assurances sought from third parties include the following

- details of the control environment,
- identification and evaluation of risks and control objectives,
- assessment of the communication procedures, and
- assessment of the control procedure

The key procedures which have been established to provide effective internal financial controls are as follows

- investment management is provided by iimia plc The Board is responsible for the implementation of the overall investment policy and monitors the action of the Investment Manager at regular meetings
- The provision of administration, accounting and company secretarial duties is the responsibility of Capita Sinclair Henderson Limited
- Custody of assets is undertaken by the Bank of New York
- The duties of investment management, accounting and custody of assets are segregated The procedures of the individual parties are designed to complement one another
- The non-executive Directors of the Company clearly define the duties and responsibilities of their agents and advisers in the terms of their contracts The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved, the Board monitors their ongoing performance and contractual agreements
- Mandates for authorisation of investment transactions and expense payments are set by the Board
- The Board receives detailed financial information produced by the Investment Manager and the Secretary on a regular basis and Board meetings are held at least once a quarter to review such information

Company Secretary
The Board has direct access to the advice and services of the Company Secretary, Capita Sinclair Henderson Limited, which is responsible for ensuring that the Board and Committee procedures are followed and that applicable regulations are complied with The Secretary is also responsible to the Board for ensuring timely delivery of the information and reports and that statutory obligations of the Company are met

Dialogue with shareholders
Communication with shareholders is given a high priority by both the Board and the Investment Manager and the Directors are available to enter into dialogue with shareholders Major shareholders of the Company are offered the opportunity to meet with the Investment Manager and the Directors of the Board to ensure that their views are understood All shareholders are encouraged to attend and vote at the Annual General Meeting, during which the Board and the Investment Manager are available to discuss issues affecting the Company and shareholders have the opportunity to address questions to the Investment Manager, the Board and the Chairmen of the Board's standing committees

Any shareholder who would like to lodge questions in advance of the Annual General Meeting is invited to do so, either on the reverse side of the proxy card or in writing to the Company Secretary at the address on page 4 The Company always responds to letters from individual shareholders

The Annual and Half Yearly Reports of the Company are prepared by the Board and its advisers to present a full and readily understandable review of the Company's performance Copies are dispatched to shareholders by mail and are also available from the Company Secretary, at the contact details on page 4 or by downloading from both the Investment Manager's and Company's website, as detailed on page 43

Going Concern
The Directors are of the opinion that it is appropriate to presume that the Company will continue in operational existence for the foreseeable future and accordingly have continued to adopt the going concern basis in preparing the financial statements

By order of the Board
Capita Sinclair Henderson Limited
Secretary

30 July 2008

Directors' Remuneration Report

The Board has prepared this Report, in accordance with Schedule 7A to the Companies Act 1985 An ordinary resolution will be put to the members to receive the Report at the forthcoming Annual General Meeting

The law requires your Company's auditors to audit certain disclosures provided Where disclosures have been audited, they are indicated as such The auditors' opinion is included in their report on pages 26 and 27

Policy on Directors' fees
The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole, and is determined with reference to comparable organisations and appointments It is intended that this policy will continue for the year ending 30 April 2009 and subsequent years

The fees of the non-executive Directors are determined within the limits set out in the Company's Articles of Association which stipulates that the aggregate amount of Directors fees shall not exceed £75,000 in any financial year or any greater sum that may be determined from time to time by ordinary resolution of the Company They are not eligible for bonuses pension benefits, share options, long term incentive schemes or other benefits

Directors' service contracts
None of the Directors have a contract of service with the Company, nor has there been any contract or arrangement between the Company and any Director at any time during the year The Articles of Association provide that a Director shall retire and be subject to re-election at the first Annual General Meeting after his appointment, and that one third of the Directors retire by rotation at subsequent Annual General Meetings and that each Director retire every third year

Your Company's performance
The graph below compares the total return (assuming all dividends are reinvested) to Ordinary shareholders, compared to the MSCI World Index (Sterling) The MSCI World Index has been selected as it is considered to represent a broad equity market index against which the performance of the Company's assets may be assessed

The Company's benchmark of 3 month LIBOR plus 2%, has also been shown for comparison

Remuneration Committee
At the meeting of the Remuneration Committee held on 21 March 2007 it was agreed that given the size of the Company and the constitution of the Committee, the matters previously dealt with by the Remuneration Committee would in future be dealt with by the Board of Directors At a meeting of the Board held on 4 March 2008 it was agreed that there would be no increase in the present level of Director's fees

Directors' emoluments for the period (audited)
The Directors who served during the year received the following emoluments in the form of fees

	2008	2007
	£	£
Anthony Townsend (Chairman)	**18,000**	18,000
James Fox	**15,000**	15,000
Nick Hodgson	**12,000**	12,000
Michael Phillips	**–**	–

As a director of the Investment Manager, Mr Phillips does not receive a Director's fee

Approval
The Directors' Remuneration Report was approved by the Board on 30 July 2008

Anthony Townsend

Anthony Townsend
Chairman

Statement of Directors' Responsibilities in Respect of the Financial Statements

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit and loss for that period In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business

The Directors have confirmed that the financial statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice, comply with the above requirements

The Directors are responsible for ensuring that the report of the Directors and other information included in the Annual Report is prepared in accordance with Company Law in the United Kingdom They are responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for the Company's system of internal financial control, for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations The Directors confirm that to the best of their knowledge the financial statements, within the annual report, have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and the loss for the year ended 30 April 2008, and that the Chairman's Statement, Investment Manager's Report and the Report of the Directors include a fair review of the information required by 4 1 8R to 4 2 11R of the FSA's Disclosure and Transparency Rules

On behalf of the Board of Directors
Anthony Townsend
Chairman

30 July 2008

Report of the Independent Auditors
to the shareholders of iimia Investment Trust plc

We have audited the financial statements of iimia Investment Trust Plc for the year ended 30 April 2008 which comprise the Income Statement, the Reconciliation of Movements In Shareholders Funds, the Balance Sheet, the Statement of Cash Flows, and notes 1 to 20 These financial statements have been prepared under the accounting policies set out therein We have also audited the information in the Directors' Remuneration Report that is described as having been audited

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement and Investment Manager's Report that is cross referred from the Business Review section of the Report of the Directors

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements The other information comprises only the Investment Objective and Policy, the Company Summary and Summary of Results, the Chairman's Statement, the Manager's Report, the Portfolio Valuation, the Report of the Directors, the Corporate Governance Statement, and the unaudited part of the Directors' Remuneration Report We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities do not extend to any other information

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 April 2008 and of its loss for the year then ended,
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditor & Chartered Accountants
London

30 July 2008

Income Statement
for the year ended 30 April 2008

	Note	Year ended 30 April 2008 Revenue £'000	Capital £'000	Total £'000	Year ended 30 April 2007 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments at fair value through profit or loss	8	–	(5,578)	(5,578)	–	3,452	3,452
Income	2	707	–	707	546	–	546
Annual management fee	3	(233)	–	(233)	(257)	–	(257)
Performance fee	3	–	–	–	–	–	–
Exchange gains/(losses) on capital items		–	1	1	–	(4)	(4)
Other expenses	4	(220)	–	(220)	(184)	–	(184)
Returns on ordinary activities before finance costs and taxation		254	(5,577)	(5,323)	105	3,448	3,553
Interest payable	5	(261)	–	(261)	(158)	–	(158)
Return on ordinary activities before taxation		(7)	(5,577)	(5,584)	(53)	3,448	3,395
Taxation on ordinary activities	6	–	–	–	–	–	–
Return on ordinary activities after taxation for the financial period		(7)	(5,577)	(5,584)	(53)	3,448	3,395
		pence	pence	pence	pence	pence	pence
Return per Ordinary share	7	(0 03)	(19 01)	(19 04)	(0 18)	11 47	11 29

The total column of this statement is the Profit and Loss account of the Company The supplementary revenue return and capital return columns have been prepared in accordance with the AIC's SORP

All revenue and capital items in the above statement derive from continuing operations There are no recognised gains or losses other than those passing through the Income Statement

The notes on pages 32 to 42 form part of these financial statements

Reconciliation of Movements in Shareholders' Funds
for the year ended 30 April 2008

	Share capital £'000	Capital re-demption reserve £'000	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Own shares held in Treasury £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2007	**312**	**–**	**16,727**	**18,050**	**7,907**	**7,319**	**(949)**	**(288)**	**49,078**
Movement for the year									
Return for the year	–	–	–	–	2,109	(7,686)	–	(7)	(5,584)
Ordinary shares purchased and held in Treasury	–	–	–	–	–	–	(877)	–	(877)
Ordinary shares cancelled from Treasury	(12)	12	–	(1,826)	–	–	1,826	–	–
Ordinary shares purchased and cancelled	(29)	29	–	(4,043)	–	–	–	–	(4,043)
Balance at 30 April 2008	**271**	**41**	**16,727**	**12,181**	**10,016**	**(367)**	**–**	**(295)**	**38,574**

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Own shares held in Treasury £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2006	216	3,054	18,050	4,972	6,806	–	(235)	32,863
Movement for the year								
Return for the year	–	–	–	2,935	513	–	(53)	3,395
Issue of Ordinary share capital	96	13,954	–	–	–	–	–	14,050
Costs of share issue	–	(281)	–	–	–	–	–	(281)
Ordinary shares purchased and held in Treasury	–	–	–	–	–	(949)	–	(949)
Balance at 30 April 2007	312	16,727	18,050	7,907	7,319	(949)	(288)	49,078

The notes on pages 32 to 42 form part of these financial statements

Balance Sheet
as at 30 April 2008

	Note	30 April 2008 £'000	30 April 2007 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	**40,292**	51,692
Current assets			
Debtors	10	**323**	1,161
Cash at bank		**2,211**	987
		2,534	2,148
Creditors amounts falling due within one year			
Creditors	11	**4,252**	4,762
Net current liabilities		**(1,718)**	(2,614)
Net assets		**38,574**	49,078
Share capital and reserves			
Share capital	12	**271**	312
Capital redemption reserve		**41**	–
Share premium account		**16,727**	16,727
Special reserve		**12,181**	18,050
Capital reserve – realised		**10,016**	7,907
– unrealised		**(367)**	7,319
Own shares held in Treasury	13	**–**	(949)
Revenue reserve		**(295)**	(288)
Total shareholders' funds		**38,574**	49,078
		pence	pence
Net asset value per Ordinary share	16	**142 07**	160 36

These financial statements were approved by the Board of Directors on 30 July 2008, and signed on its behalf by

Anthony Townsend

Anthony Townsend
Chairman

The notes on pages 32 to 42 form part of these financial statements

Statement of Cash Flows
for the year ended 30 April 2008

	Note	30 April 2008 £'000	30 April 2007 £'000
Operating activities			
Investment income received		**527**	397
Deposit interest received		**71**	152
Other income		**2**	–
Investment management fees paid		**(256)**	(1,000)
Secretarial fees paid		**(69)**	(57)
Other cash payments		**(173)**	(129)
Net cash inflow/(outflow) from operating activities	14	**(102)**	(637)
Servicing of finance			
Interest paid		**(269)**	(151)
Net cash outflow from servicing of finance		**(269)**	(151)
Capital expenditure and financial investment			
Purchases of investments		**(18,025)**	(40,404)
Sales of investments		**23,344**	25,278
Gains/(losses) on derivative contracts		**753**	(309)
Net cash inflow/(outflow) from capital expenditure and financial investment		**6,072**	(15,435)
Net cash inflow/(outflow) before financing		**5,905**	(16,223)
Financing			
Proceeds of Ordinary share issue		**–**	14,056
Expenses of issue		**–**	(281)
Ordinary shares purchased and held in Treasury		**–**	(949)
Ordinary shares purchased and cancelled		**(4,682)**	–
Revolving credit facility drawdown		**–**	2,500
Net cash (outflow)/inflow from financing		**(4,682)**	15,326
Increase/(decrease) in cash	15	**1,223**	(897)

The notes on pages 32 to 42 form part of these financial statements

1 Accounting policies

Accounting convention
The financial statements are prepared under the historical cost convention except for the measurement at fair value of investments and are prepared in accordance with applicable law and Accounting Standards in the United Kingdom ('UK GAAP') and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" ('SORP') issued by the Association of Investment Companies ('AIC') in January 2003 and revised in December 2005

Income recognition
Dividends receivable on quoted equity and non-equity shares are included in the financial statements when the investments concerned are quoted 'ex-dividend' Dividends receivable on equity and non-equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security All other income is included on an accruals basis

Expenses and finance costs
All expenses are accounted for on an accruals basis Expenses are charged through the revenue column of the Income Statement except as follows

- transaction costs which are incidental to the acquisition or disposal of an investment are included within (losses)/gains on investments and disclosed in note 8, and

- investment performance fees are charged to the capital column of the Income Statement as the Directors expect that in the long term virtually all of the Company's returns will come from capital

Foreign currency transactions
The currency of the Primary Economic Environment in which the Company operates (the functional currency) is pounds Sterling ('Sterling') which is also the presentational currency Transactions denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the transaction

Investments are converted to Sterling at the rates of exchange ruling at the Balance Sheet date Exchange gains and losses relating to investments are taken to the capital reserve Realised and unrealised exchange gains and losses on non-capital assets or liabilities are taken to the Income Statement in the period in which they arise

Investments - held at fair value through profit or loss
Investments have been designated by the Board as held at fair value through profit or loss and accordingly are valued at fair value As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, investments are designated as fair value through profit or loss on initial recognition The entity manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the portfolio is provided internally on this basis to the Board

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

Quoted investments are valued at the bid price, or the last traded price, depending on the convention of the exchange on which the investment is quoted

Unquoted investments, including any warrants, are valued by the Directors at fair value using market valuation techniques in accordance with the International Private Equity and Venture Capital guidelines

1 **Accounting policies** – continued

Financial assets and liabilities held for trading
Derivatives which are classified as financial assets or liabilities held for trading are valued at fair value at the close of business at the year end

Taxation
The charge for taxation is based on the net revenue for the year Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period

Capital reserves
Distributable reserves
Following recent guidance from the ICAEW both the revenue reserve and capital reserves, including the capital reserve – unrealised to the extent that it is related to investments readily convertible to cash, are considered distributable reserves In accordance with the Company's status as a UK investment company under section 833 of the Companies Act 2006 (previously section 266 of the Companies Act 1985), the capital reserves may not be distributed by way of dividend, but may be utilised for the purposes of share buybacks

Capital reserve (realised)
The following are accounted for in the Income Statement, allocated to capital and transferred to this reserve

- gains and losses on the realisation of investments,
- realised gains and losses on financial instruments held for trading,
- realised exchange differences of a capital nature, and
- expenses, together with related taxation effect, allocated to capital in the Income Statement in accordance with the above policies

Capital reserve (unrealised)
The following are accounted for in the Income Statement, allocated to capital and transferred to this reserve

- increases and decreases in the fair value of the investments held at the year end,
- unrealised gains and losses on financial instruments held for trading

2 Income

	30 April 2008 £'000	30 April 2007 £'000
Income from investments		
UK dividend income	472	315
UK unfranked investment income	162	96
	634	411
Other income		
Bank interest receivable	71	135
Other income	2	–
	707	546

3 Investment management fee

	30 April 2008			30 April 2007		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Annual fee	223	–	223	219	–	219
Performance fee	–	–	–	–	–	–
Irrecoverable VAT thereon	10	–	10	38	–	38
	233	–	233	257	–	257

The basic investment management fee is calculated at the annual rate of 0 5% of the adjusted market capitalisation of the Company on the last business day of each calendar month The basic management fee accrues daily and is payable in arrears in respect of each calendar month For the purpose of calculating the basic fee, the 'adjusted market capitalisation' of the Company is defined as the average daily mid market price for an Ordinary share adding back any dividends per share yet to have gone ex-div in the relevant month, multiplied by the number of Ordinary shares in issue, excluding those held by the Company in Treasury, on the last business day of the relevant month

The Manager is also entitled to a performance fee of 15% of the growth of the Company's net asset value per Ordinary share in excess of a hurdle of 3 month LIBOR plus 2%, but only if the share price has also increased over the relevant period The amount of any performance fee in a performance period will not exceed 2% of the Company's gross assets, but any excess performance fee over this cap may be carried forward up to 3 years to the extent that in a subsequent calculation period a performance fee is payable, but does not reach the cap for that period

There is no performance fee due for the year ended 30 April 2008 The Directors consider that the excess performance fee of £557,000 (excluding VAT) carried forward from the year ended 30 April 2006 is not a liability (a present obligation) at 30 April 2008, but that it is a contingent liability (a possible obligation) that depends on future events

The performance fee per share is calculated based on the time weighted average number of shares in issue during the calculation period Calculation periods correspond to the Company's accounting periods The performance fee accrues monthly

As a result of the AIC/Claverhouse judgement described in note 18 the Company ceased to pay VAT on its management fees from July 2007

4 Other expenses

	30 April 2008 £'000	30 April 2007 £'000
Secretarial services	**64**	63
Auditors' remuneration for		
Audit of the Company's Financial Statements	**17**	14
All other services	**-**	1
Directors' remuneration*	**45**	45
Other expenses	**94**	61
	220	184

* see Directors' Remuneration Report on page 24 for analysis

5 Interest payable and similar charges

	30 April 2008 Revenue £'000	30 April 2008 Capital £'000	30 April 2008 Total £'000	30 April 2007 Revenue £'000	30 April 2007 Capital £'000	30 April 2007 Total £'000
Interest payable on revolving credit facility	**261**	**–**	**261**	158	–	158

6 Taxation

	30 April 2008 Revenue £'000	30 April 2008 Capital £'000	30 April 2008 Total £'000	30 April 2007 Revenue £'000	30 April 2007 Capital £'000	30 April 2007 Total £'000
Corporation tax at 30%	**–**	**–**	**–**	–	–	–

The current taxation charge for the year is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below

	30 April 2008 Revenue £'000	30 April 2008 Capital £'000	30 April 2008 Total £'000	30 April 2007 Revenue £'000	30 April 2007 Capital £'000	30 April 2007 Total £'000
Return on ordinary activities before taxation	**(7)**	**(5,577)**	**(5,584)**	(53)	3,448	3,395
Theoretical tax at UK corporation tax rate of 30%	**(2)**	**(1,673)**	**(1,675)**	(16)	1,034	1,018
Effects of						
– UK dividends that are not taxable	**(142)**	**–**	**(142)**	(94)	–	(94)
– Gains on investment and exchange gains on capital items	**–**	**1,673**	**1,673**	–	(1,034)	(1,034)
– Expenses not deductible for tax	**10**	**–**	**10**	–	–	–
– Unrelieved expenses	**134**	**–**	**134**	110	–	110
Actual current tax charge	**–**	**–**	**–**	–	–	–

Factors that may affect future tax charges

The Company has excess management expenses of £2,298,000 (2007 £1,852,000) that are available to offset future taxable revenue No deferred tax asset has been recognised in respect of these amounts as they will only be recoverable to the extent that there is sufficient future taxable revenue

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the Trust meets (and intends to continue for the foreseeable future to meet) the conditions for approval as an Investment Trust company

7 Return per share

	Net return £'000	30 April 2008 Weighted average number of Ordinary shares†	Per share pence	Net return £'000	30 April 2007 Weighted average number of Ordinary shares†	Per share pence
Total						
Return per share	**(5,584)**	**29,329,832**	**(19 04)p**	3,395	30,050,224	11 29p
Revenue						
Return per share	**(7)**	**29,329,832**	**(0 03)p**	(53)	30,050,224	(0 18)p
Capital						
Return per share	**(5,577)**	**29,329,832**	**(19 01)p**	3,448	30,050,224	11 47p

† excluding shares held in Treasury

8 Investments

	30 April 2008 £'000	30 April 2007 £'000
Investment portfolio summary		
Total investments at fair value	**40,292**	51,692

	£'000	£'000
Analysis of investment portfolio movements		
Opening valuation	**51,692**	32,761
Movements in the period		
Purchases at cost	**17,626**	40,782
Sales – proceeds	**(22,439)**	(25,892)
– realised gains on sales	**1,356**	3,244
(Decrease)/increase in unrealised appreciation	**(7,943)**	797
Closing valuation	**40,292**	51,692
Closing book cost	**40,588**	44,045
Closing unrealised (depreciation)/appreciation	**(296)**	7,647
	40,292	51,692

A list of the portfolio holdings by their fair value is given in the portfolio valuation on page 10 of the Annual Report

The investment portfolio includes 12 (2007 13) AIM quoted holdings totalling £7,202,000 (2007 £11,526,000), representing 17 9% of the portfolio

Transaction costs incidental to the acquisitions of investments totalled £34,000 (2007 £119,000) and disposals of investments totalled £45,000 (2007 £70,000) for the year

8 Investments – continued

	30 April 2008 £'000	30 April 2007 £'000
Analysis of capital gains		
Realised gains on sales	**1,356**	3,244
Movement in unrealised (depreciation)/appreciation	**(7,943)**	797
Realised gains/(losses) on derivative contracts	**753**	(308)
Movement in unrealised appreciation/(depreciation) on derivative contracts	**256**	(281)
	(5,578)	3,452

9 Significant interests

The Company had holdings of 3% or more that is material in the context of the accounts in the following companies' securities

Name of investment	Class of Share	30 April 2008 Percentage held
Japan Accelerated Performance Fund	Ordinary	5 33
Invesco Asia Trust	Ordinary	4 51
F&C UK Select Trust	Ordinary	4 50
Global Special Opportunities Trust	Income	4 43
Life Office Opportunities Trust	Ordinary	4 25

10 Debtors amounts falling due within one year

	30 April 2008 £'000	30 April 2007 £'000
Amounts due from brokers	**201**	1,106
Dividends receivable	**108**	40
Prepayments and other debtors	**14**	15
	323	1,161

11 Creditors amounts falling due within one year

	30 April 2008 £'000	30 April 2007 £'000
Bank loan	**3,750**	3,750
Amounts due to brokers	**367**	569
Bank interest	**3**	10
Other creditors	**63**	108
Financial liabilities held for trading	**69**	325
	4,252	4,762

The bank loan, which is a £7,500,000 revolving credit facility with Allied Irish Bank, bears interest at the rate of 1 10% over LIBOR on any drawndown balance and 0 55% on any undrawn balance The facility may be drawndown in Sterling, US Dollars or Euros

The bank loan facility contains covenants which require that net borrowings will not at any time exceed 33% of the adjusted net asset value, which shall at all times be equal to or greater than £12,000,000

11 Credıtors amounts fallıng due wıthın one year – contınued

If the Company breaches eıther covenant, then ıt ıs requıred to notıfy the Bank of any default and the steps beıng taken to remedy ıt

At 30 Aprıl 2008 the Company had £3,750,000 drawn down under the facılıty whıch matured on 28 May 2008 These facılıtıes were renewed and now mature on 28 May 2009

12 Called up share capıtal	**30 Aprıl 2008 £'000**	30 Aprıl 2007 £'000
Authorısed		
80,000,000 Ordınary shares of 1p each	**800,000**	800,000
Allotted, called up and fully paıd		
27,150,985 (2007 31,243,945) Ordınary shares of 1p each	**271**	312

Durıng the year 1,209,127 shares prevıously held ın Treasury were cancelled A further 2,883,833 Ordınary shares were bought back for cancellatıon for a total consıderatıon of £4,043,000

A further 764,000 shares have been purchased for cancellatıon sınce 30 Aprıl 2008 brıngıng the number of allocated shares to 26,386,985

13 Own shares held ın Treasury

In accordance wıth FRS 25, the consıderatıon paıd for shares held ın Treasury ıs presented as a deductıon from shareholders' funds, whıch reduces dıstrıbutable reserves

Summary	**Number of shares**	**Year ended 30 Aprıl 2008 Own shares held ın Treasury £'000**	Number of shares	Year ended 30 Aprıl 2007 Own shares held ın Treasury £'000
Openıng balance	**638,727**	**(949)**	–	–
Addıtıons	**570,400**	**(877)**	638,727	(949)*
Cancellatıon	**(1,209,127)**	**1,826**	–	–
At 30 Aprıl 2008	**–**	**–**	638,727	(949)
Nomınal value of own shares held ın Treasury		**–**		6

* Cost ıncludıng broker commıssıons

14 Reconcılıatıon of net return before finance costs and taxatıon to net ınflow/(outflow) cash from operatıng actıvıtıes	**30 Aprıl 2008 £'000**	30 Aprıl 2007 £'000
Net (loss)/return before finance costs and taxatıon	**(5,323)**	3,553
Scrıp dıvıdends	**(40)**	–
Losses/(gaıns) on ınvestments	**5,578**	(3,452)
Exchange (gaıns)/losses on capıtal ıtems	**(1)**	4
Decrease ın credıtors and accruals	**(45)**	(743)
(Increase)/decrease ın prepayments and accrued ıncome	**(67)**	1
	102	(637)

15 Reconciliation of net cash flow to net funds

	30 April 2008 £'000	30 April 2007 £'000
Opening net debt	**(2,763)**	637
Increase/(decrease) in cash in period	**1,223**	(897)
Net drawdown of revolving credit facility	**-**	(2,500)
Exchange gains/(losses) on capital items	**1**	(3)
Closing net debt	**(1,539)**	(2,763)

	At 30 April 2007 £'000	Cash Flows £'000	Foreign exchange movements £'000	At 30 April 2008 £'000
Net debt is comprised as follows				
Cash at bank	987	1,223	1	**2,211**
Debt due within one year	(3,750)	–	–	**(3,750)**
	(2,763)	1,223	1	**(1,539)**

16 Net asset value per Ordinary share

The net asset value per Ordinary share is based on net assets of £38,574,000 (2007 £49,078,000) and on 27,150,985 (2007 30,605,218) Ordinary shares, being the number of shares in issue at the year end, excluding shares held in Treasury (see note 13)

17 Capital commitments and contingent liabilities

The Company has a contingent liability of £557,000 (excluding VAT) due to the Investment Manager for the excess performance fee for the year ended 30 April 2006 This amount may become payable in the three year period ending 30 April 2009 Please see note 3 for further details

As at 30 April 2008, there were no capital commitments

18 Post Balance Sheet Events

Following a European Court of Justice (the 'ECJ') ruling on 28 June 2007 in relation to VAT chargeable on investment management fees to investment trusts the Company ceased to pay VAT on its investment management fees The Company is in discussions with the Investment Manager regarding a reclaim of VAT previously paid The amount to be reclaimed is still to be finalised and is not therefore included in these accounts

19 Analysis of financial assets and liabilities

The Company's financial instruments comprise securities and derivatives used for hedging purposes, cash balances and debtors and creditors that arise from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income

The risk management policies and procedures outlined in this note have not changed substantially from the previous accounting period

The Company has little exposure to credit risk

The Company finances its operations through its issued capital, existing reserves and a revolving credit facility

The principal risks the Company faces in its portfolio management activities are

- other price risks, i e movements in the value of investment holdings caused by factors other than interest rate or currency movement,
- interest rate risk,
- currency risk

The Manager monitors the financial risks affecting the Company on a daily basis The Directors receive financial information on a monthly basis which is used to identify and monitor risk

The Investment Manager's policies for managing these risks are summarised below and have been applied throughout the year

Policy

(i) Other Price Risk

Other price risk arises mainly from uncertainty about future prices of financial instruments The value of shares and the income from them may fall as well as rise and shareholders may not get back the full amount invested The Manager continues to monitor the prices of financial instruments held by the Company on a real time basis Adherence to the Company's investment objectives shown on pages 1 and 2 mitigates the risk of excessive exposure to one issuer or sector

The Board manages the other price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager The Board meets regularly and at each meeting reviews the investment performance, the investment portfolio and the rationale for the current investment positioning to ensure consistency with the Company's objectives and investment policies The portfolio does not seek to reproduce the index, investments are selected based upon the merit of individual companies and therefore the portfolio may well diverge from the short term fluctuations of the benchmark

The Company's exposure to other price risk is detailed in the portfolio valuation on page 10

If the investment portfolio valuation fell by 5% from the amount detailed in the financial statements as at 30 April 2008 it would have the effect, with all other variables held constant, of reducing the net capital return before taxation by £2,015,000 (2007 £2,585,000) An increase of 5% in the investment portfolio valuation would have an equal and opposite effect on the net capital return before taxation

(ii) Interest Rate Risk

Changes in interest rates may cause fluctuations in the income and expenses of the Company The revolving credit facility with Allied Irish Bank is at variable rates to be determined prior to any drawdown The amount of such borrowings and the approved levels are monitored and reviewed regularly by the Board

At the year end the Company had a £7,500,000 revolving credit facility with Allied Irish Bank, bearing interest at the rate of 1 1% over LIBOR on any drawndown balance and 0 55% on any undrawn balance At 30 April 2008 the Company had £3,750,000 drawndown under the facility which matured on 28 May 2008 This facility was renewed and now matures on 28 May 2009

The Company's bank accounts earn interest at a variable rate which is subject to fluctuations in interest rates At the year end the Company's bank balance was £2,211,000 (2007 £987,000) The interest received in the year amounted to £71,000 (2007 £135,000)

(iii) Liquidity Risk
The Investment Manager may invest on behalf of the Company in securities which are not readily tradable, which can lead to volatile share price movements It may be difficult for the Company to sell such investments, but such risk is currently low as the majority of the Company's investments are in readily realisable securities

(iv) Gearing
Gearing can have amplified effects on the net asset value of the Company It can be positive for a company's performance, although it can have negative effects on performance in falling markets It is the Company's policy to determine the adequate level of gearing appropriate to its own risk profile At the year end the Company's gearing was 110% (2007 108%)

(v) Foreign currency risk
Although the Company's performance is measured in Sterling, a proportion of the Company's assets may be either denominated in other currencies or are in investments with currency exposure The Company was not exposed to material direct foreign currency risk during the year

The Investment Manager reviews the risks of adverse currency movements and where necessary may use derivatives to mitigate the risk of adverse currency movements

(vi) Derivatives
The Investment Manager may use derivative instruments in order to 'hedge' the market risk, incorporating foreign currency risk, of part of the portfolio The Investment Manager reviews the risk associated with individual investments and where they believe it appropriate may use derivatives to mitigate the risk of adverse market or currency movements The Investment Manager discusses the hedging strategy with the Board at its quarterly meetings

At the year end there was one derivative contract open It provides a limited degree of protection from a fall in the value of the Nikkei Index in the form of sold futures and would not materially impact the portfolio returns if a large market movement did occur The Company entered into 17 other derivative contracts during the year which incurred net gains of £753,000 in the year

Capital Management
The Company does not have any externally imposed capital requirements, other than those relating to the revolving credit facility The bank loan facility is subject to the following covenants

- Net borrowings will not at any time exceed 33% of the Adjusted Net Asset Value, and
- Adjusted Net Asset value shall at all times be equal or greater than £12,000,000

The Board consider the capital of the Company to be issued share capital and debt The capital of the Company is managed in accordance with its investment policy in pursuit of its investment objectives detailed on pages 1 and 2

Fair values of financial assets and financial liabilities
All of the financial assets and liabilities of the Company are held at fair value

20 Related Party Transactions

Under the terms of an agreement dated 9 March 2004, the Company has appointed iimia plc to be the Investment Manager The fee arrangements for these services and fees payable are set out in note 3

iimia plc is a subsidiary company within Midas Capital plc At 30 April 2008, there were amounts due to iimia plc totalling £12,719 (2007 £45,553) and a contingent liability as detailed in note 17, of £557,000 excluding VAT (2007 £654,000 including VAT)

In addition to acting as Investment Manager, iimia plc, on occasions, also earns broking commissions on share transactions on behalf of the Company During the period iimia plc received commission fees totalling £79,000 (2007 £189,000)

The Company broker is Intelli Corporate Finance Ltd, which is also a subsidiary company of Midas Capital plc Intelli Corporate Finance Ltd act as Stockbroker and Financial Advisor The aggregate remuneration paid by the Company to Intelli was £30,000 in respect of their services as brokers

Shareholder Information

Share Dealing
Shares can be traded through your usual stockbroker

Share Register Enquiries
The register for the Ordinary shares is maintained by Capita Registrars In the event of queries regarding your holding, please contact the Registrar on 0870 162 3131 or email shareholder services@capitaregistrars com Changes of name and/or address must be notified in writing to the Registrar

Share Capital and net asset value Information

Ordinary 1p shares	27,150,985 at 30 April 2008
SEDOL number	3436594
ISIN number	GB0034365949

The Company's Ordinary shares are traded on the London Stock Exchange

The Company releases its net asset value per Ordinary share to the London Stock Exchange daily and at each month end

Share Prices
The Company's Ordinary shares are listed on the London Stock Exchange The mid market prices are quoted daily in the Financial Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'

Financial Calendar

Company's year end	30 April
Annual results announced	July
Interim Management Statement	Prepared to 31 July
Annual General Meeting	September/October
Company's half-year	31 October
Half Yearly results announced	December
Interim Management Statement	Prepared to 31 January

Annual and Half Yearly Reports

Copies of the Annual and Half Yearly Reports are available from the Company Secretary

Telephone 01392 412122

Investment Manager iimia plc
The Company's Investment Manager is iimia plc, a wholly owned subsidiary of Midas Capital plc In October 2007 the iimia Investment Group plc merged with MitonOptimal plc to form iimia MitonOptimal plc In March 2008 iimia MitonOptimal plc merged with Midas Capital Partners Limited to form Midas Capital plc

iimia plc is regulated by the FSA and is a member firm of the London Stock Exchange iimia plc is a wholly-owned subsidiary of Midas Capital plc, which had funds under management and advice totalling £1 26 billion as at 31 December 2007 (£0 65 billion 2006) The latest funds under management and advice is £2 8 billion

Investor updates in the form of Monthly factsheets are available from the Company's website www iimiainvestmenttrust co uk and the iimia plc website at www iimia co uk

Association of Investment Companies
The Company is a member of the Association of Investment Companies

Glossary of Terms

Net Asset Value ('NAV')
The NAV is shareholders' funds expressed as an amount per individual share Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all prior charges at their par value (or at their asset value)

Discount/Premium
If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share If the share price is higher than the NAV per share, the shares are said to be trading at a premium

Total Expense Ratio
The total operating expenses excluding interest incurred by the Company, (excludes the performance fee charged to capital) as a percentage of total assets less current liabilities

Total Return
The combined effect of any dividends paid, together with the rise or fall in the share price or NAV Total return statistics enable the investor to make performance comparisons between trusts with different dividend policies Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares of the trust at the time the shares go ex-dividend (the share price total return) or in the assets of the trust at its NAV per share (the NAV total return)

Gearing
Gearing is the process whereby changes in the total assets of a company has an exaggerated effect on the net asset value of that company's ordinary shares due to the presence of borrowings or share classes with a prior ranking entitlement to capital

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of iimia Investment Trust PLC will be held on 3 October 2008, at the offices of Eversheds LLP, 1 Wood Street, London EC2V 7WS at 12 00 noon for the following purposes

Resolutions 1 to 7 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 8 to 10 (inclusive) will be proposed as Special Resolutions

		Resolution on Form of Proxy
Ordinary business		
1	To receive and adopt the audited accounts for the year ended 30 April 2008, together with the Report of the Directors and Auditors thereon	Resolution 1
2	To receive the Directors' Remuneration Report for the year ended 30 April 2008	Resolution 2
3	To re-elect Mr Hodgson as a Director of the Company	Resolution 3
4	To re-elect Mr Michael Phillips as a Director of the Company	Resolution 4
5	To re-appoint Grant Thornton UK LLP as auditors of the Company	Resolution 5
6	To authorise Directors to determine the auditors' remuneration	Resolution 6

Special business

To consider and, if thought fit, to pass the following Resolutions of which Resolution 7 is an Ordinary Resolution and Resolutions 8, 9 and 10 are Special Resolutions

7 THAT

The Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the 'Act') (in substitution for any existing allotment authorities, provided that such substitution shall not have retrospective effect) to exercise all the powers of the Company to allot relevant securities (as defined in Section 80 (2) of the Act) up to an aggregate nominal value of up to an amount equal to a third of the issued Ordinary shares during the period commencing on the date of the passing of this Resolution and expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company to be held in 2009, or fifteen months from the passing of this Resolution, whichever is earlier (the 'Section 80 period'), but so that the Directors may, at any time prior to the expiry of the Section 80 period, make offers or agreements which would or might require relevant securities to be allotted after the expiry of the Section 80 period and the Directors may allot relevant securities in pursuance of such offers or agreements as if the authority had not expired — Resolution 7

8 THAT

In substitution for any existing power under Section 95 of the Companies Act, but without prejudice to the exercise of any such power prior to the date of this Resolution, the Directors be and they are hereby empowered, in accordance with Section 95(1) of the Companies Act, to allot equity securities (as defined in Section 94(2) of the Companies Act) for cash pursuant to the authority under Section 80 of the Companies Act conferred on the Directors by an Ordinary Resolution of the Company renewed above and to sell relevant shares (within the meaning of Section 94(5) of the Companies Act) which are held by the Company as Treasury shares (within the meaning of Section 162A(3) of the Companies Act), in each case as if Section 89(1) of the Companies Act did not apply to any such allotment or sale, up to an aggregate — Resolution 8 nominal amount of £26,387, such power to expire 15 months after the date of the passing of this Resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company held in 2009, unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may, at any time prior to the expiry of such power, make an offer to enter into an agreement which would or might require equity securities or relevant shares to be allotted or sold after the expiry of such power and the Directors may allot equity securities or sell relevant shares in pursuance of such an offer or agreement as if such power had not expired

9 THAT

The Company is hereby generally and unconditionally authorised to make purchases (within the meaning of Section 163(3) Companies Act 1985) of Ordinary shares of 1p each in the capital of the Company (Ordinary shares) for cancellation or for placing into Treasury provided that Resolution 9

(a) the maximum number of Ordinary shares authorised to be acquired shall be 3,955,409 (or if less 14 99% of the Ordinary shares in issue immediately following the passing of this resolution),

(b) the minimum price which may be paid for each Ordinary share is 1p (exclusive of expenses),

(c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share, shall not be more than the higher of (a) an amount equal to 105% of the average of the middle market quotations of Ordinary Shares taken from the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which the contract of purchase is made, and (b) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current bid for the Ordinary Shares on the London Stock Exchange's market for larger established companies,

(d) this authority will (unless renewed) expire at the conclusion of the next Annual General Meeting of the Company held after the date on which this resolution is passed or, if earlier, 15 months after that date, and

(e) the Company may make a contract of purchase for Ordinary shares under this authority before this authority expires which will or may be executed wholly or partly after its expiration

10 THAT

The Articles of Association contained in the document produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association, with effect from the conclusion of the 2008 Annual General Meeting Resolution 10

By order of the Board
Capita Sinclair Henderson Limited, Secretary
Registered Office Beaufort House, 51 New North Road, Exeter EX4 4EP
30 July 2008

Explanatory notes to the Notice of Meeting

As a shareholder, you have the right to attend, speak and vote at the forthcoming Annual General Meeting or at any adjournment(s) thereof In order to exercise all or any of these rights you should read the following explanatory notes to the business of the Annual General Meeting

Note 1 A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting A proxy need not be a member of the Company If multiple proxies are appointed they must not be appointed in respect of the same shares To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 48 hours before the time of the meeting The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he is the holder

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority shall be determined by the order in which the names of the holders stand in the register

Any question relevant to the business of the Annual General Meeting may be asked at the meeting by anyone permitted to speak at the meeting You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office

Note 2 A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights

Note 3 The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 2 above do not apply to a Nominated Person The rights described in those Notes can only be exercised by registered members of the Company

Note 4 As at 25 July 2008 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 26,481,985 Ordinary shares carrying one vote each and the total level of voting rights was 26,481,985

Note 5 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered on the Register of Members of the Company as at 12 00 noon on 1 October 2008 (or in the event that the meeting is adjourned, only those Shareholders registered on the Register of Members of the Company as at 12 00 noon on the day which is 48 hours prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting

Note 6 In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate Shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that corporate Shareholder present at the meeting then, on a poll, those corporate representatives will give voting directions to the Chairman of the meeting and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions, and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives in attendance on behalf of the corporate Shareholder who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www icsa org uk – for further details of this procedure The guidance includes a sample form of representation letter if the Chairman is being appointed as described in 6(i)

Explanatory notes to the notice of meeting – continued

Note 7 A copy of the Articles of Association of the Company as proposed to be adopted with effect from the passing of resolution 10 will be available for inspection at the registered office of the Company Capita Sinclair Henderson Limited, Beaufort House, 51 New North Road Exeter, EX4 4EP during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at Eversheds LLP, 1 Wood Street, London EC2V 7WS from 11 45 am until the conclusion of the meeting

Note 8 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

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's specifications and must contain the information required for such instructions, as described in the CREST Manual The message, in order to be valid, must be transmitted so as to be received by the Company's agent ID RA10 by the latest time for receipt of proxy appointments specified in Note 1 above For this purpose the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means

CREST members and, where applicable their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings

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

Appendix – Explantory Notes of Principle changes to the Company's Articles of Association:

1. Special business

In accordance with the 2006 Act transactions that constitute special business at a general meeting, unless determined at an annual general meeting, have been amended to include approving the Directors' Remuneration Report

2 Votes of members, proxies and corporate representatives

Under the 2006 Act, proxies are entitled to vote on a show of hands as well as a poll and members may appoint a proxy to exercise all or any of their rights to attend, speak and vote at meetings Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder and multiple corporate representatives may be appointed The New Articles reflect these new provisions

In relation to multiple corporate representatives attending a general meeting as representatives of a corporation which is a member of the Company, the New Articles state that the Company will put in place provisions which facilitate giving effect to the voting intentions of such representatives

3. Proxies

The New Articles reflect the fact that, pursuant to the 2006 Act, in determining the time for delivery of proxies, no account shall be taken of non-working days

4. Notices and other communications

The 2006 Act enables companies to communicate with their members by electronic communication to a greater extent than previously permitted The New Articles provide the Company with a general power to send or supply any notice, document or information to any member by a variety of methods – in person, by post or in electronic form (such as by email), or by making it available on the Company's website In addition to any notice, document or information which is specifically required to be sent or supplied under the 2006 Act, the Company will also be able to send any other document or information to members using these varieties of methods

The New Articles allow proxies to be sent or supplied in electronic form and, where the Company gives an electronic address in a form of proxy, shareholders may send the appointment of proxy to that electronic address, subject to any conditions or limitations specified in the relevant notice of meeting

The Company may ask each member for his or her consent to receive communications from the Company via its website If the member does not respond to the request for consent within 28 days, the Company may take that as consent by the member to receive communications in this way

If the Company sends or supplies any notice, document or information to members by making it available on the Company's website, it must notify each member who has consented (or is deemed to have consented) to receive documents via the website, either by post or by email (if the member has specifically agreed to receive communications in electronic form), that the notice, document or information has been placed on the website A member who has consented or is deemed to have consented to receive communications via the website can request a hard copy of any document at any time Members can also revoke their consent to receive electronic communications at any time

5 Directors' indemnities

The New Articles amend the provisions relating to Directors' indemnities, which were incorporated into the Articles at the 2006 Annual General Meeting of the Company The New Articles now incorporate the changes required by the 2006 Act

Articles relating to indemnity and insurance provision no longer extend to Auditors

6. Conflict of interest duties

The 2006 Act codifies directors' general duties The provisions largely replicate the existing law, but there are some significant changes Under the 2006 Act, with effect from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests The requirement is very broad and could apply, in some cases, if a director becomes a director of another company or a trustee of another organisation The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts where the Articles contain a provision to this effect The 2006 Act also permits the Articles to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty The Articles have been amended in line with the 2006 Act The New Articles give the Directors authority to approve conflict situations including other directorships held by the Company's Directors and include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate

7. Permitted interests and voting

The 2006 Act contains a much wider definition of a director's "connected persons" However, the relevant director and the Company must still take a view each time a matter is being considered as to whether the interests of the director's connected persons mean that the Director should be treated as interested in the matter being transacted

8 Directors' expenses

In accordance with the 2006 Act, the Directors are also entitled to be paid reasonable travelling, hotel and other expenses that are properly incurred, or to be incurred, by such director The New Articles reflects this position

9 Participation by electronic mail

Directors (or their alternates) may now participate in a meeting of the Board of Directors or a committee of the Board through electronic mail addressed to the Chairman of the meeting

10. Abolition of Extraordinary General Meetings

Throughout the Articles, references to a requirement for an "extraordinary general meeting" have been replaced by "general meeting" and references to an "extraordinary resolution" as the terms "extraordinary general meeting" and "extraordinary resolution" have ceased to be applicable under the 2006 Act

11 Notice of General Meetings and circulation of Resolutions etc, on requisition of members

The provisions in the New Articles dealing with the convening of general meetings, method of notice and the length of notice required to convene general meetings are in line with the relevant provisions of the 2006 Act

12 Directors' fees

It is proposed to increase the maximum amount of the Directors' authorised aggregate annual fees from £75,000 to £100,000

13 Right to stop sending dividend warrants, notices etc

The Article granting the Company the right to stop sending members notices or other documents through the post, if they have been returned undelivered on at least three consecutive occasions has been amended so that it also covers all people granted information rights by virtue of the 2006 Act

A copy of the current Articles of Association and of the proposed new Articles of Association marked up to show the proposed amendments will be available for inspection during normal business hours (Saturdays, Sundays an public holidays excepted) at the Company's registered office, Beaufort House, 51 New North Road, Exeter, Devon EX4 4EP, until the conclusion of the meeting

iimia Investment Trust PLC

Form of Proxy

For use at the ANNUAL GENERAL MEETING (Block capitals please)

I/We, the undersigned,

being a member/members of iimia Investment Trust PLC, hereby appoint the Chairman of the Meeting

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at, the offices of Eversheds LLP, 1 Wood Street, London EC2V 7WS on 3 October 2008, at 12 00 noon and at any adjournment thereof

Signature

Dated 2008

Please indicate with an X in the spaces below how you wish your votes to be cast

Ordinary business		**For**	**Against**	**Vote withheld**
Resolution 1	To receive the reports of the Directors and Auditor and the audited accounts for the year ended 30 April 2008			
Resolution 2	To receive the Directors' Remuneration Report			
Resolution 3	To re-elect Mr Hodgson as a Director of the Company			
Resolution 4	To re-elect Mr M Phillips as a Director of the Company			
Resolution 5	To reappoint Grant Thornton UK LLP as auditors to the Company			
Resolution 6	To authorise the Directors to determine the auditors' remuneration			
Special business				
Resolution 7	Authority to allot Shares in accordance with statutory pre-emption rights			
Resolution 8	Authority for the Directors to issue shares having dissaplied statutory pre-emption rights			
Resolution 9	Renewal of the Company's authority to purchase its Ordinary shares			
Resolution 10	To adopt the new Articles of Association			

Notes

1 A member may appoint a proxy of his or her own choice If such an appointment is made, delete the words the Chairman of the Meeting' and insert the name of the person appointed proxy in the space provided

2 If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf

3 In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated

4 If this form is returned without any indication as to how the person appointed proxy shall vote, the Chairman will exercise his discretion as to how he votes or whether he abstains from voting

5 To be valid, this form must be completed and deposited at the office of the Company's Registrar not less than 48 hours before the time fixed for holding the Meeting or adjourned Meeting

6 A "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the Resolution

7 To appoint one or more proxy you may photocopy this form On each proxy form please enter the number of shares in relation to which that proxy is authorised to act on your behalf The total number of shares entered on all proxy forms you submit must not exceed the number of shares you hold in the Company

Do not affix Postage Stamps if posting in
Gt Britain, Channel Islands, or N Ireland

Third fold and tuck in

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The Registry
34 Beckenham Road
Beckenham
Kent BR3 4BR

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