



Standard Life Equity Income Trust plc

**Annual Report and Financial Statements
30 September 2015**

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares in Standard Life Equity Income Trust plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Company Summary

| | |
|--|--|
| The Company | The Company is an investment trust and its Ordinary shares and Subscription shares are listed on the London Stock Exchange. |
| Investment Objective | The Company's objective is to provide shareholders with an above average income from their equity investment while also providing real growth in capital and income. |
| Benchmark | The Company's benchmark is the FTSE All-Share Index. |
| Market capitalisation | £188.7 million at 30 September 2015 |
| Equity shareholders' funds | £195.6 million at 30 September 2015 |
| Alternative Investment Fund Manager | Standard Life Investments (Corporate Funds) Limited |
| Portfolio Manager | Thomas Moore |
| Website | www.standardlifeinvestments.com/its |

Financial Calendar

| | |
|---------------------------------------|--|
| 12 November 2015 | Announcement of Annual Financial Report for year ended 30 September 2015 |
| 16 December 2015 | Annual General Meeting |
| 18 December 2015 | Payment of fourth quarterly dividend of 4.70p per Ordinary share |
| May 2016 | Announcement of Half Yearly Financial Report for six months ending 31 March 2016 |
| March, June and September 2016 | Payment of interim dividends for 2016 |

Strategic Report

Financial Highlights

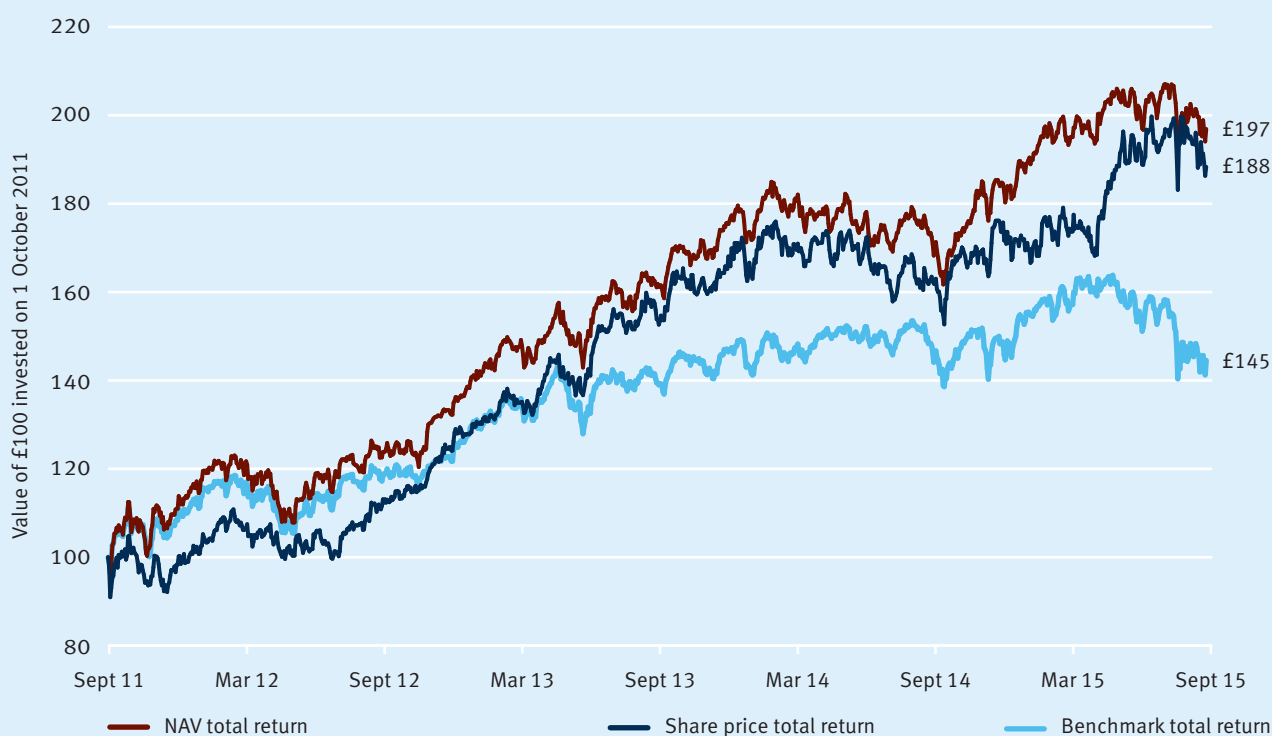
Year to 30 September 2015

| | |
|--|-------|
| Share price total return | 15.2% |
| Increase in total dividends | 5.0% |
| Net asset value total return (diluted) | 14.1% |
| Benchmark total return | -2.3% |

The benchmark is the FTSE All-Share Index

Total return assumes that the dividends paid to shareholders are re-invested in Ordinary shares at the time the Ordinary shares are quoted ex-dividend.

Four Years of Strong Performance Since Change in Strategy



Thomas Moore was appointed as Portfolio manager in November 2011 when the Company adopted a more conviction-led investment strategy.

Ten Largest Positions Relative to the Benchmark at 30 September 2015

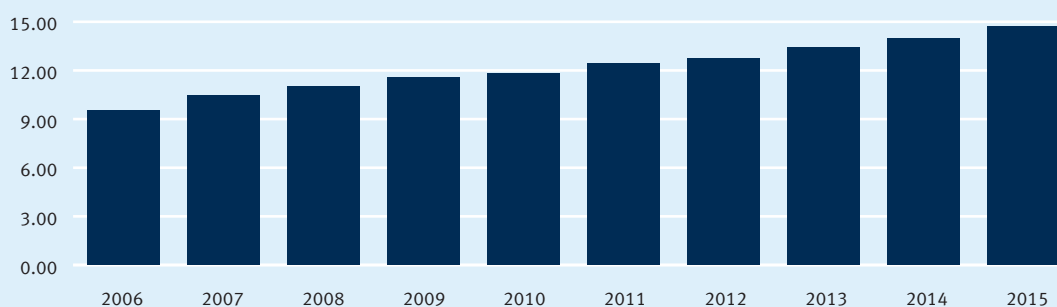
| Overweight Stocks | Company % | B'mark % | Relative % | Overweight Stocks | Company % | B'mark % | Relative % |
|-----------------------|-----------|----------|------------|-------------------|-----------|----------|------------|
| DS Smith | 3.2 | 0.2 | 3.0 | NewRiver Retail | 2.0 | 0.0 | 2.0 |
| Staffline | 2.3 | 0.0 | 2.3 | Aviva | 2.8 | 0.9 | 1.9 |
| Close Brothers | 2.2 | 0.1 | 2.1 | Safestyle | 1.9 | 0.0 | 1.9 |
| Real Estate Investors | 2.1 | 0.0 | 2.1 | Rightmove | 2.1 | 0.2 | 1.9 |
| BT | 3.8 | 1.8 | 2.0 | SuperGroup | 1.9 | 0.0 | 1.9 |

Investments by size are listed on pages 9 and 10

Sources: Standard Life Investments and Thomson Datastream

| | 30 September 2015 | 30 September 2014 | % change |
|---|-------------------|-------------------|----------|
| Capital | | | |
| Net asset value per Ordinary share | | | |
| Basic | 455.2p | 411.0p | 10.8 |
| Diluted | 440.7p | 397.9p | 10.8 |
| Ordinary share price | 439.0p | 394.0p | 11.4 |
| Subscription share price | 114.0p | 86.5p | 31.8 |
| Benchmark capital return | 3,335.9 | 3,533.9 | -5.6 |
| Discount of ordinary share price to diluted net asset value | -0.4% | -1.0% | |
| Total assets | £221.9m | £190.4m | 16.6 |
| Shareholders' funds | £195.6m | £166.5m | 17.5 |
| Ordinary shares in issue | 42,976,691 | 40,505,994 | 6.1 |
| Gearing | | | |
| Gearing | 7.7% | 13.2% | |
| Earnings and Dividends | | | |
| Revenue return per Ordinary share | 17.18p | 15.69p | 9.5 |
| Total dividends for the year | 14.70p | 14.00p | 5.0 |
| Dividend yield | 3.3% | 3.6% | |
| Expenses | | | |
| Ongoing charges | | | |
| Based on average net asset value | 0.94% | 0.94% | |
| Based on year end net asset value | 0.90% | 0.96% | |

Ten year dividend record (pence per share)



Strategic Report

Chairman's Statement



Richard Burns

Performance

The year just ended has been very successful for your Company. The diluted net asset value total return (which is calculated on the assumption that all the Subscription shares in issue have been converted into Ordinary shares and includes the change in net asset value per share plus the dividends paid during the year) was 14.1%, which is the second best result in the last decade. This is an excellent outcome, given that the FTSE All-Share index produced a negative total return of 2.3% over the twelve months to 30 September 2015 and especially because, in the Board's view, it has been achieved without incurring an inappropriately high level of risk. I hope that shareholders will join the Board of Directors in congratulating Standard Life Investments, and in particular Thomas Moore, our portfolio manager, on the success of their efforts.

Various factors have contributed to this fine result and they are discussed more fully in the Manager's Report on pages 6 to 8. However, it is clear that good stock selection and being prepared to hold a portfolio which is markedly different from the index have been the key factors. Our strategy since Thomas took over has been to steadily increase our exposure to mid-sized and smaller companies and stocks on Standard Life's "Winners List". As a result, we now have far less invested in the largest companies in the market and correspondingly much more in medium and small companies than the index. This change has been very successful and, although it may not be successful every year, we expect it will continue to deliver good results over the long term.

The share price total return (that is the change in our share price and the dividends paid during the year) was 15.2%, slightly higher than the net asset value total return mentioned earlier. This is because the discount of the share price to net asset value narrowed from 1.0% a year ago to 0.4% at 30 September 2015.

As well as producing an excellent rise in capital value, our portfolio also produced good results on its income account helped by significant special dividends, as in the previous year. The revenue return per Ordinary share was 17.18p, an increase of 9.5% over last year, which is a particularly good result considering that last year's earnings had risen by 11.5% on the 2013 figure.

It is gratifying, if not surprising, to be able to report that your Company has dramatically improved its position in the UK Equity Income sector from 12th a year ago to 2nd this year, based on net asset value total return for the year ended 30 September 2015. This is shown in the table below:

| UK Equity Income Sector Group | One Year Total Return | Three Years Total Return | Five Years Total Return |
|-------------------------------|-----------------------|--------------------------|-------------------------|
| SLEIT | 2/21 | 5/21 | 5/20 |

Source: JP Morgan Cazenove

Dividends

The Board recommends a fourth quarterly dividend of 4.70p, bringing total dividends for the year to 14.70p, an increase of 5% on last year. For comparison the Retail Prices Index increased by 0.8% over the year to 30 September 2015. Subject to shareholders approval at the Annual General Meeting to be held on 16 December 2015 this dividend will be paid on 18 December 2015 to shareholders on the register on 27 November 2015 with an associated ex-dividend date of 26 November 2015.

Gearing

The Company has a £30m bank facility with Scotiabank (Ireland) Limited. This facility was in use throughout the year, with the average amount drawn down being £23m, reflecting our positive view of the prospects for the companies in our portfolio. This gearing had a positive effect of 1.3% on our performance over the year.

Shareholder Relations

Our Manager, Standard Life Investments, has continued its programme of active engagement with existing and potential shareholders over the year and the Board, with our portfolio manager Thomas Moore, has held two lunches, in London and Edinburgh, with representatives of leading wealth management firms. Private investors will be very welcome at our AGM, to be held this year on 16 December 2015 at our Manager's London office on the 34th floor at 30 St. Mary Axe (the Gherkin). The meeting will start at 11.30am and will include a presentation on our investments from Thomas Moore.

The UK Equity Income sector is very competitive, with many high performing companies with excellent long term records and, to maintain the Company's share rating, it is important not only that performance remains good but that the market is made fully aware of that performance and how it is being achieved.

Share Capital

Subscription shares

During the year, the Company issued 1,620,697 new Ordinary shares at 320p per share resulting from the exercise of Subscription shares. As a reminder, the new shares can be taken up at 320p by giving notice each December and June. The last exercise date is the last business day of December 2016.

Ordinary shares

As noted above your Company's performance has been good in recent years, most notably this one, and our Manager has been active in promoting awareness of this. There has, gratifyingly, been a noticeable increase in demand for the shares and over the year £3.8m has been raised by the issue of 850,000 new shares at a small premium to net asset value. Issuing at a premium has the effect of slightly enhancing that asset value and, as importantly, reducing the level of the ongoing charge borne by shareholders as the fixed costs of running the Company are spread over a larger number of shares.

Governance and the Board

Your Board has again conducted a full annual review of strategy. It has also carried out an evaluation of itself. An external assessment will be conducted in 2016. Your Board continues to consider that the main service providers to the Company perform well and are fairly rewarded.

Having succeeded Charles Wood as Chairman at last year's AGM, I should like to pay tribute to him for his leadership of the Company for the last nine years and the diligent and courteous way in which he oversaw its operations and conducted Board meetings. We wish him a long and happy retirement.

As I reported at the interim stage, Keith Percy has intimated that he will step down at the AGM following the 30 September 2016 year end.

Outlook

Our portfolio consists of shares in companies which we believe have good prospects, prospects which are not fully appreciated by investors. Our Manager looks for companies which are either changing themselves or seem likely to benefit from changes in the external environment, neither of which are yet generally appreciated by the market.

Despite the many global economic and political uncertainties, I am therefore confident that our portfolio will continue to produce satisfactory results, even if those results are unlikely to be as spectacular as those I have the good fortune to be reporting to you this year.

Richard Burns

Chairman

11 November 2015



Thomas Moore

Market Review

UK equities were volatile over the period, trading in a broad range, with significant divergence in sector performance caused by shifts in macro-economic and political drivers.

The period saw a gap opening up between Emerging Market and Developed Market economies as commodity price weakness tended to act as a depressant on Emerging Market growth but a stimulant for Developed Market growth via consumer disposable income. Market sentiment came to be dominated by events in China towards the end of the period. What began as a softening in Chinese economic data culminated in a slump in the Chinese equity market and a surprise devaluation of the renminbi. This had the effect of dragging down several large UK sectors, including Oil & Gas and Mining.

US monetary policy remained in focus during the period, with speculation growing about the timing of the first interest rate rise. The Federal Reserve surprised markets by resisting a September rate increase, citing the uncertain global economic outlook. In effect, dollar strength has done much of its tightening work for the Federal Reserve, allowing rates to remain lower for longer.

In contrast to the economic gloom witnessed in many parts of the world, the UK economy stood out as one of the world's bright spots during the period. Fears of a messy General Election result were misplaced as the Conservative Party unexpectedly achieved an overall majority. The UK economy remained resilient throughout the period, supported by a sustained improvement in employment markets, long-awaited signs of wage inflation, a fall in the cost of living and rising disposable income. The combination of the calmer political backdrop and improving economic outlook provided the catalyst for the valuation of domestically-orientated sectors to move ahead.

Performance

For the year ended 30 September 2015, the Company's net asset value total return was 14.1%, outperforming the FTSE All-Share Index which had a negative total return of 2.3%. Over the same period, the share price rose by 11.4% from 394p to 439p.

The Company's strong NAV performance was boosted by heavy exposure to domestic sectors that benefited from the strength of the UK economic recovery. AIM-listed recruitment business **Staffline** contributed strongly to returns as the market responded warmly to excellent interim results that allowed the dividend to grow by 50%. Management's revenue and profit targets appeared highly ambitious when first announced, but are becoming more credible given their track record of consistent operational execution. The long-standing holding in **Cineworld** performed well in response to better than expected interim results, with like-for-like sales growing by 11% driven by increased ticket prices and retail spend in the UK and higher admissions in Central and Eastern Europe. The holding in **Rightmove** made a positive contribution as the company's competitive position strengthened, as reflected in rising volumes and pricing, confounding the market's fears over new competition. The holding in packaging firm **DS Smith** was another major contributor after the company announced a healthy increase in profits, alongside further evidence of successful bolt-on acquisitions.

Performance benefitted from the Company's limited exposure to the Mining and Oil & Gas sectors. It was particularly helpful that the Company did not own any shares in **Glencore** or **Royal Dutch Shell** throughout the period, although performance did suffer from owning **Soco International**, which disappointed the market due to downgraded reserve estimates linked to lower future investment assumptions.

The holding in van rental business **Northgate** detracted from performance due to market concerns over toughening competition and falling resale values. Performance also suffered as shares in **International Personal Finance** responded to unexpected adverse regulatory developments in Poland, which over-shadowed progress in their other markets.

Activity

Purchase activity largely reflected individual company-specific opportunities identified during the year.

While the Company has increased its weighting in small and mid cap stocks in recent years, it is also continuing to identify opportunities among large cap stocks. During the period the Company bought shares in **Vodafone** on the view that market trends should be supportive for the pricing of data services and therefore for the profitability of their European operations, which would vindicate the heavy investment they have made in their 4G data network.

The Company also bought shares in software business **Sage**, where we have confidence in the ability of the new management team to achieve its growth and margin targets in the near term, with the potential medium term for operational efficiencies and acceleration in revenue growth.

The Company started a new holding in **Real Estate Investors**, which acquires and manages commercial and industrial properties mainly in the West Midlands, where management is taking advantage of high rental yields in a region where market conditions are improving very sharply. We expect the NAV to move ahead sharply in the coming years through a combination of yield shift, rental growth and asset management.

Having been extremely cautious towards resource stocks to the benefit of performance, the Company began to increase its weighting in the mining sector as valuations became compelling. In September the Company bought a new holding in **BHP Billiton** whose diversified portfolio of high-quality assets, low production costs and strong balance sheet should underpin cashflows and dividends even at depressed commodity prices.

The Company sold out of **HSBC** during the first half of the period in the light of reduced financial targets that reflect structural cost and cyclical

top-line pressures, which could hamper profit and dividend growth for several years to come. The Company also sold out of **BP** in the first half of the period, as dividend cover is under pressure from weakening free cash flow as cost of production struggles to keep up with falling oil and gas prices. Cuts to capital expenditure will inevitably have an adverse impact on future production growth and hence dividend paying ability.

The Company sold its holding in **HellermannTyton** after it received a cash bid from US vehicle component manufacturer Delphi Automotive. Profits were also taken in spread-betting company **IG Group** after strong performance as volumes benefited from high levels of financial market volatility.

Outlook

We remain confident in the continued success of our conviction-led, market-agnostic approach to income investing. The portfolio remains truly active, continuing to invest in our highest conviction ideas, regardless of index weightings.

At the beginning of the period we anticipated that domestically-orientated stocks would offer significantly better return characteristics than overseas earners. This has turned out to be absolutely correct. Our portfolio positioning remains in favour of domestically-orientated businesses that are set to benefit from the continuing growth in consumer disposable income. Dividend growth potential appears to be greatest in this area of the market, with several of the Company's holdings recently announcing ordinary dividend hikes in excess of 20% and some announcing special dividends. There is little reason to expect a reversal in the benign dividend trends being witnessed among the portfolio's holdings given the strength of their earnings, cash flows and balance sheets.

Following a period of marked under-performance, the FTSE 100 is now beginning to offer a broader selection of compelling value situations. We remain responsive to opportunities resulting from periods of market dislocation such as the recent fall-out in Emerging Markets. Having had limited exposure to overseas earnings, the Company has recently begun to rebuild exposure to certain FTSE 100 stocks that offer market-leading positions and solid balance sheets, underpinning their dividends.

Strategic Report

Manager's Report

The divergence in earnings trends across sectors appears set to persist as global economic growth remains patchy. This plays to the strengths of our highly selective approach to income investing. The strength of the portfolio's fundamentals is reflected in the improved pace of dividend growth being witnessed among our holdings. Backed by a robust research resource and process, the portfolio remains in strong shape, underpinning the dividend and capital prospects of the Company.

Thomas Moore

Standard Life Investments

11 November 2015

| Relative Performance Attribution | % |
|----------------------------------|-------------|
| Stock Selection | 16.7 |
| Gearing | 1.3 |
| Interest | -0.1 |
| Expenses | -0.5 |
| Total | 17.4 |

The relative performance of 17.4% represents the geometric difference between the increase in the Company's net asset value of 10.8% and the decrease in the FTSE All-Share Index of 5.6% (for the year ended 30 September 2015).

| Top 5 Stock Level Contributors | Relative Position (%)# | Contribution (%) |
|--------------------------------|------------------------|------------------|
| Royal Dutch Shell† | -6.1 | 2.2 |
| DS Smith | 3.1 | 1.4 |
| Glencore† | -1.3 | 1.3 |
| Staffline | 1.6 | 1.2 |
| Cineworld | 2.0 | 1.1 |

| Bottom 5 Stock Level Contributors | Relative Position (%)# | Contribution (%) |
|-----------------------------------|------------------------|------------------|
| Soco International* | 0.5 | -0.9 |
| British American Tobacco* | -2.2 | -0.4 |
| Reckitt Benckiser† | -1.7 | -0.3 |
| Imperial Tobacco | -1.3 | -0.3 |
| Northgate | 0.8 | -0.3 |

based on average position for the year

† stocks not held by the Company

* stocks sold during the year by the Company

Strategic Report

Portfolio Investments

As at 30 September 2015

| Stock | Key Sector | Valuation as at 30 September 2015 £'000 | Weight % | Valuation as at 30 September 2014 £'000 |
|-------------------------------|--|--|-------------|--|
| BT | Fixed Line Telecommunications | 8,063 | 3.8 | 7,294 |
| DS Smith | General Industrials | 6,845 | 3.2 | 4,628 |
| Aviva | Life Insurance/Assurance | 5,886 | 2.8 | 2,416 |
| Vodafone | Mobile Telecommunications | 5,203 | 2.5 | 1,027 |
| Legal & General | Life Insurance/Assurance | 5,172 | 2.4 | 4,972 |
| Relx | Media | 4,974 | 2.4 | 3,724 |
| Staffline | Support Services | 4,816 | 2.3 | 2,255 |
| Close Brothers | Financial Services | 4,712 | 2.2 | 4,516 |
| Rightmove | Media | 4,405 | 2.1 | 3,006 |
| Real Estate Investors | Real Estate Investment Services | 4,344 | 2.1 | – |
| Top ten investments | | 54,420 | 25.8 | |
| Prudential | Life Insurance/Assurance | 4,326 | 2.1 | 3,210 |
| National Grid | Gas Water & Multiutilities | 4,206 | 2.0 | 2,542 |
| NewRiver Retail | Real Estate Investment Trusts | 4,132 | 2.0 | 2,609 |
| Supergroup | Personal Goods | 4,086 | 1.9 | – |
| Safestyle | General Retailers | 4,078 | 1.9 | 2,523 |
| Barclays | Banks | 4,004 | 1.9 | 3,241 |
| Playtech | Travel & Leisure | 3,985 | 1.9 | 3,454 |
| Galliford Try | Construction & Materials | 3,959 | 1.9 | 3,160 |
| Beazley | Non-life Insurance | 3,955 | 1.9 | 2,550 |
| Hansteen | Real Estate Investment Trusts | 3,895 | 1.8 | 2,635 |
| Top twenty investments | | 95,046 | 45.1 | |
| Sage | Software & Computer Services | 3,892 | 1.8 | – |
| Tyman | Construction & Materials | 3,835 | 1.8 | 3,216 |
| River & Mercantile | Financial Services | 3,815 | 1.8 | 2,263 |
| Howden Joinery | Support Services | 3,630 | 1.7 | 4,333 |
| TUI Travel | Travel & Leisure | 3,536 | 1.7 | 2,666 |
| BHP Billiton | Mining | 3,362 | 1.6 | – |
| Micro Focus International | Software & Computer Services | 3,330 | 1.6 | 3,160 |
| Saga | General Retailers | 3,304 | 1.6 | – |
| Bovis Homes | Household Goods & Home Construction | 3,279 | 1.5 | 2,537 |
| Britvic | Beverages | 3,118 | 1.5 | 3,665 |
| Top thirty investments | | 130,147 | 61.7 | |
| Babcock International | Support Services | 3,067 | 1.4 | 3,361 |
| Manx Telecom | Fixed Line Telecommunications | 2,986 | 1.4 | 2,742 |
| Chesnara | Life Insurance/Assurance | 2,921 | 1.4 | 1,909 |
| ITV | Media | 2,919 | 1.4 | 2,466 |
| National Express | Travel & Leisure | 2,893 | 1.4 | – |
| DFS Furniture | General Retailers | 2,868 | 1.4 | – |
| Cineworld | Travel & Leisure | 2,856 | 1.4 | 2,936 |
| Jardine Lloyd Thompson | Non-life Insurance | 2,842 | 1.3 | 2,372 |
| Imperial Tobacco | Tobacco | 2,794 | 1.3 | – |
| Kier | Construction & Materials | 2,555 | 1.2 | 1,746 |
| Top forty investments | | 158,848 | 75.3 | |

Strategic Report

Portfolio Investments

As at 30 September 2015

| Stock | Key Sector | Valuation as at 30 September 2015 £'000 | Weight % | Valuation as at 30 September 2014 £'000 |
|--------------------------------|-----------------------------------|--|--------------|--|
| Hiscox | Non-life Insurance | 2,526 | 1.2 | 2,258 |
| Rathbone Brothers | Financial Services | 2,466 | 1.2 | 2,279 |
| Moneysupermarket | Media | 2,434 | 1.2 | – |
| Restaurant | Travel & Leisure | 2,430 | 1.2 | 2,583 |
| Direct Line Insurance | Non-life Insurance | 2,427 | 1.1 | – |
| Next | General Retailers | 2,391 | 1.1 | – |
| Northgate | Support Services | 2,378 | 1.1 | – |
| International Personal Finance | Financial Services | 2,357 | 1.1 | 2,966 |
| Connect | Support Services | 2,339 | 1.1 | 1,730 |
| Rio Tinto | Mining | 2,335 | 1.1 | 3,250 |
| Atkins | Support Services | 2,172 | 1.0 | – |
| Ashtead | Support Services | 2,145 | 1.0 | – |
| Essentra | Support Services | 2,133 | 1.0 | – |
| Travis Perkins | Support Services | 2,124 | 1.0 | 2,490 |
| Senior | Aerospace & Defense | 2,037 | 1.0 | 1,274 |
| Polar Capital | Financial Services | 2,004 | 1.0 | 2,082 |
| Zegona Communications | Non-equity Investment Instruments | 2,000 | 0.9 | – |
| Paragon | Financial Services | 1,969 | 0.9 | 2,111 |
| Arm | Technology Hardware & Equipment | 1,960 | 0.9 | – |
| Virgin Money | Banks | 1,919 | 0.9 | – |
| Assura | Real Estate Investment Trusts | 1,841 | 0.9 | – |
| Bodycote | Industrial Engineering | 1,806 | 0.9 | 1,924 |
| Hargreaves Lansdown | Financial Services | 1,229 | 0.6 | – |
| RPS | Support Services | 1,221 | 0.6 | – |
| Daily Mail | Media | 1,004 | 0.5 | 2,348 |
| Game Digital | Leisure Goods | 382 | 0.2 | 2,032 |
| Total Portfolio | | 210,877 | 100.0 | |

All investments are equity investments.

Strategic Report

Sector Distribution of Investments

As at 30 September 2015

| | Portfolio weighting 2015 % | Index weightings 2015 % | Portfolio weighting 2014 % |
|---------------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
| Oil & Gas | | | |
| Oil & Gas Producers | – | 10.0 | 4.0 |
| Oil Equipment Services & Distribution | – | 0.4 | – |
| Basic Materials | | | |
| Chemicals | – | 0.7 | 1.3 |
| Forestry & Paper | – | 0.3 | – |
| Industrial Metals & Mining | – | – | – |
| Mining | 2.7 | 3.9 | 1.7 |
| Industrials | | | |
| Construction & Materials | 4.9 | 1.1 | 4.3 |
| Aerospace & Defense | 1.0 | 1.9 | 3.5 |
| General Industrials | 3.2 | 0.7 | 2.5 |
| Electronic & Electrical Equipment | – | 0.5 | 0.5 |
| Industrial Engineering | 0.9 | 0.7 | 1.0 |
| Industrial Transportation | – | 0.3 | 0.8 |
| Support Services | 12.3 | 4.9 | 11.5 |
| Consumer Goods | | | |
| Automobiles & Parts | – | 0.2 | 1.9 |
| Beverages | 1.5 | 4.4 | 1.9 |
| Food Producers | – | 0.9 | – |
| Household Goods & Home Construction | 1.5 | 3.6 | 1.3 |
| Leisure Goods | – | – | 1.1 |
| Personal Goods | 1.9 | 2.1 | – |
| Tobacco | 1.3 | 5.1 | 1.6 |
| Healthcare | | | |
| Health Care Equipment & Services | – | 0.8 | – |
| Pharmaceuticals & Biotechnology | – | 7.7 | – |
| Consumer Services | | | |
| Food & Drug Retailers | – | 1.4 | – |
| General Retailers | 6.2 | 2.9 | 4.4 |
| Media | 7.5 | 3.9 | 6.9 |
| Travel & Leisure | 7.4 | 4.6 | 7.4 |
| Telecommunications | | | |
| Fixed Line Telecommunications | 5.2 | 2.0 | 5.4 |
| Mobile Telecommunications | 2.5 | 3.1 | 0.5 |
| Utilities | | | |
| Electricity | – | 0.8 | – |
| Gas Water & Multiutilities | 2.0 | 3.1 | 1.4 |
| Financials | | | |
| Banks | 2.8 | 10.7 | 7.0 |
| Equity Investment Instruments | – | 3.8 | – |
| Non-life Insurance | 5.6 | 1.2 | 3.9 |
| Life Insurance/Assurance | 8.7 | 4.7 | 8.1 |
| Real Estate Investment & Services | 2.1 | 0.8 | – |
| Real Estate Investment Trusts | 4.7 | 2.4 | 2.8 |
| Financial Services | 8.8 | 2.8 | 11.6 |
| Non-equity Investment Instruments | 0.9 | – | – |
| Technology | | | |
| Software & Computer Services | 3.4 | 0.7 | 1.7 |
| Technology Hardware & Equipment | 1.0 | 0.9 | – |
| | 100.0 | 100.0 | 100.0 |

Strategic Report

Business Review

Introduction

The Company carries on business as an investment trust.

The Board

The Board consists wholly of non-executive Directors. The Chairman is Mr Richard Burns and as at 30 September 2015 other Board members were Ms Josephine Dixon, Mr Keith Percy, Mr Jeremy Tighe and Mr Mark White. As at 30 September 2015, the Board consisted of four men and one woman. As the Company is an investment trust, all of its activities are outsourced and it does not have any employees.

Investment Objective

The objective of the Company is to provide shareholders with an above average income from their equity investment while also providing real growth in capital and income.

Business Model and Investment Policy

The management of the Company's investments and the day to day operation of the Company is delegated to Standard Life Investments (Corporate Funds) Limited (the "Manager").

The Directors set the investment policy which is to invest in a diversified portfolio consisting mainly of quoted UK equities which will normally comprise between 50 and 70 individual equity holdings.

In order to reduce risk in the Company without compromising flexibility:

- no holding within the portfolio will exceed 10% of aggregate net assets; and
- the top ten holdings within the portfolio will not exceed 50% of net assets

The Company may invest in convertible preference shares, convertible loan stocks, gilts and corporate bonds.

The Directors set the gearing policy which is to operate within parameters of between 5% net cash and 15% net gearing for the level of gearing that can be employed. The Directors have delegated responsibility to the Manager for the operation of the gearing level within the above parameters.

Manager's Investment Process

The Manager's investment process combines asset allocation, stock selection, portfolio construction, risk management and dealing. The

investment process is research intensive and is driven by the Manager's distinctive 'Focus on Change' which recognises that different factors drive individual stocks and markets at different times in the cycle. This flexible but disciplined investment process ensures that the Manager has the opportunity to perform in different market conditions.

Results and Dividend

Details of the Company's results are shown in the Financial Highlights on pages 2 and 3.

The total revenue return attributable to Ordinary shareholders for the year ended 30 September 2015 amounted to £7,044,000 (2014: £6,214,000).

Dividends are paid on a quarterly basis, in March, June, September and December.

In 2015 three quarterly dividends have been paid as follows:

| | |
|-------------------|-----------------|
| 20 March 2015 | 3.20p per share |
| 26 June 2015 | 3.40p per share |
| 25 September 2015 | 3.40p per share |

The Directors are now recommending to shareholders that a fourth quarterly dividend of 4.70 pence (2014 – fourth quarterly dividend of 4.40 pence) be paid on 18 December 2015 to shareholders on the share register as at the close of business on 27 November 2015. The ex-dividend date is 26 November 2015.

Monitoring Performance - Key Performance Indicators

The key performance indicators (KPIs) shown below have been identified by the Directors to determine the progress of the Company and a record of these measures, with comparatives, is disclosed in the Financial Highlights on page 2 and 3.

- Net asset value total return relative to the Company's benchmark (FTSE All-Share Index total return)
- Share price (capital return)
- Premium or Discount to net asset value

At each Board meeting the Directors consider a number of performance measures, including the KPIs and attribution analysis, to assess the Company's success in achieving its investment objective.

The Board considers the performance measures over various time periods and against similar funds.

Principal Risks and Uncertainties and Changes in the Year

The Board has an ongoing process for identifying, evaluating and managing the principal risks and uncertainties of the Company. The process is regularly reviewed by the Board.

Most of the Company's principal uncertainties and risks are market related and no different from those of other investment trusts that invest primarily in the UK listed market. Risks may vary in significance from time to time and the controls and actions to mitigate these are described below.

The Board considers the following to be the principal risks and uncertainties:

| Principal Risk | Risk Mitigation and Actions in the year |
|-------------------------|--|
| Investment Performance | <p>The Board recognises that market risk is significant in achieving performance and your Board reviews strategy and investment guidelines to ensure that these are appropriate. Regular reports are received from the Manager on stock selection, asset allocation, gearing and costs of running the Company. The performance is reviewed in detail and discussed with the Manager at each Board meeting.</p> <p>The Board, through its review process, did not identify any specific new actions required to mitigate performance risks during the year. The Manager's Report on pages 6 to 8 explains the changes made within the portfolio during the year.</p> |
| Operational Risk | <p>In common with most investment trusts the Board delegates the operation of the business to third parties, the principal delegate being the Manager. As part of the annual assessment of key third party service providers, the internal control reports of the service providers are reviewed.</p> <p>During the year there were no issues identified that compromised the security of the assets and the Board received assurances on the internal control environment of service providers from these reports.</p> <p>There was one operational administrative problem during the year relating to the cessation of the Standard Life Investment Trust Savings Scheme, the impact of which was that shareholders affected were given short timescales to react to the changes. The Board of your Company raised the matter as soon as possible at the appropriate levels and the timescales were extended to assist shareholders with the change.</p> |
| Discount/Premium to NAV | <p>A significant share price discount or premium to net asset value per share could lead to high levels of uncertainty and could potentially reduce shareholder confidence.</p> <p>The Board keeps the level of the Company's discount/premium under regular review. The Company's discount widened in the run up to the UK general election, as a result of market uncertainty, but subsequently narrowed to a small premium and, as a result, the Board has been able to issue 850,000 new Ordinary shares to satisfy market demand.</p> |
| Regulatory Risk | <p>The Company operates in an environment with significant regulation including the UKLA Listing Rules, the UK Companies Act, the Corporation Tax Act 2010 and the Alternative Investment Fund Managers Directive ('AIFMD').</p> <p>There has been no significant change in this risk during the year though the environment as a whole is considered to be one of increasing costs for compliance with ever increasing regulation.</p> |

Employee, Environmental and Human Rights Policy

As an investment trust, the Company has no direct social community, employee or environmental responsibilities, nor is it responsible for the emission of greenhouse gases. Its principal responsibility to shareholders is to ensure that the investment portfolio is properly managed and invested. The Company has no employees and, accordingly, has no requirement to separately report in this area as the management of the

portfolio has been delegated to the Manager. The Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters and further information may be found in the Statement of Corporate Governance. In light of the nature of the Company's business there are no relevant human rights issues and the Company does not have a human rights policy.

Strategic Report

Business Review

Bank Facilities

The company has a £30 million sterling revolving credit facility with Scotiabank (Ireland) Limited. During the year, funds were periodically drawn down from the facility as determined by the Manager. As at 30 September 2015, £25m had been drawn down. Additional information may be found in the “Gearing” section of the Chairman’s Statement on page 5.

Future Strategy

The Board and Manager intend to maintain the strategic policies set out above for the year ending 30 September 2016 as it is believed that these are in the best interest of shareholders.

Approval of the Strategic Report

The Strategic Report was approved by the Board of Directors on 11 November 2015 and signed on its behalf by:

Richard Burns

Chairman

11 November 2015

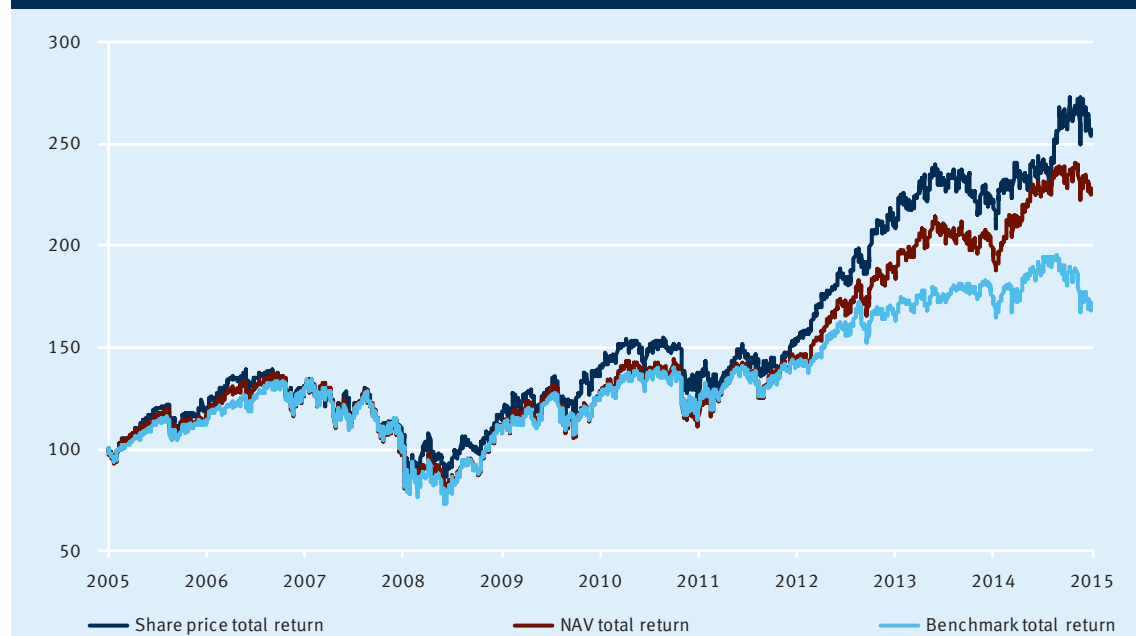
| | Gross revenue £'000 | Revenue available for ordinary shareholders £'000 | Revenue earnings per share p | Dividends per share p | Net asset value per share ⁽¹⁾ p | Shareholders' funds £'000 | Share price p | (Discount)/ premium % | Actual gearing ratio ⁽²⁾ | Potential gearing ratio ⁽³⁾ |
|------|------------------------|--|---------------------------------------|-----------------------------|---|---------------------------------|---------------------|-----------------------------|---|--|
| 2006 | 4,843 | 4,161 | 10.47 | 9.50 | 325.1 | 129,171 | 297.5 | (8.5) | 1.07 | 1.08 |
| 2007 | 5,404 | 4,606 | 11.99 | 10.45 | 348.9 | 132,333 | 311.0 | (10.9) | 1.07 | 1.10 |
| 2008 | 5,479 | 4,782 | 12.61 | 11.00 | 262.5 | 99,573 | 241.0 | (8.2) | 0.96 | 1.15 |
| 2009 | 4,922 | 4,836 | 12.75 | 11.55 | 280.3 | 106,302 | 253.5 | (9.6) | 1.08 | 1.08 |
| 2010 | 4,715 | 4,189 | 11.04 | 11.80 | 299.8 | 113,701 | 286.8 | (4.3) | 1.10 | 1.11 |
| 2011 | 5,257 | 4,877 | 12.86 | 12.40 | 269.9 | 102,422 | 276.5 | 2.4 | 1.06 | 1.15 |
| 2012 | 5,780 | 5,136 | 13.53 | 12.75 | 314.2 | 119,273 | 294.0 | (6.4) | 1.06 | 1.13 |
| 2013 | 6,107 | 5,361 | 14.07 | 13.40 | 383.3 | 151,837 | 383.0 | (0.1) | 1.13 | 1.13 |
| 2014 | 7,084 | 6,214 | 15.69 | 14.00 | 397.9 | 166,472 | 394.0 | (1.0) | 1.13 | 1.14 |
| 2015 | 7,957 | 7,044 | 17.18 | 14.70 | 440.7 | 195,648 | 439.0 | (0.4) | 1.08 | 1.13 |

⁽¹⁾ Net Asset Values include net revenue for the period, and is diluted where applicable.

⁽²⁾ Total assets less current liabilities excluding all debt being used for investment purposes (irrespective of how long the debt has to run until repayment) less all cash and fixed interest assets divided by shareholders' funds.

⁽³⁾ Total assets less current liabilities excluding all debt being used for investment purposes (irrespective of how long the debt has to run until repayment) divided by shareholders' funds.

Ten Year Performance (total return rebased to 100 from 1 October 2005)



Source: Thomson Datastream

Governance

Board of Directors



Richard Burns
Chairman

Appointed to the Board in 2006 and as Chairman with effect from 17 December 2014. Mr Burns is currently Chairman of JPMorgan Indian Investment Trust plc and Mid Wynd International Investment Trust plc. He is a former Non-Executive Director of The Baillie Gifford Japan Trust plc, The Bankers Investment Trust plc and EP Global Opportunities Trust plc. He was, until May 2006, Joint Senior Partner of Baillie Gifford.



Jeremy Tighe
Director

Appointed to the Board on 1 October 2014, he is the Chairman of BACIT Limited (Battle against Cancer Investment Trust), and is a Non-Executive Director of Graphite Enterprise Trust PLC, The Mercantile Investment Trust plc and The Monks Investment Trust PLC. He was the Fund Manager of Foreign & Colonial Investment Trust PLC from 1997 to June 2014. Mr Tighe was a Director of the Association of Investment Companies ("AIC") from 2003 to 2013. During his time at the AIC, he was Deputy Chairman and Member of the Audit Committee 2006-2010, Chairman of the Remuneration Committee 2007-2012 and Chairman of the Institutional Shareholders' Committee from 2006-2008.



Josephine Dixon
Director

Appointed to the Board in 2011, she is a Chartered Accountant whose career includes a number of years in the Nat West Group, Finance Director of Newcastle United plc, Serco Group where she was Commercial Director of UK Europe and the Middle East, and on various advisory Boards in the education and charity sector. She is currently a Director of Worldwide Healthcare Trust PLC, JPMorgan European Investment Trust plc, Strategic Equity Capital plc, Plutus Powergen plc and F&C Global Smaller Companies plc. Ms Dixon was appointed as Chairperson of the Audit Committee on 5 September 2012.



Mark White
Director

Appointed to the Board on 1 November 2013, he is Chief Executive of LGT Capital Partners (UK) Limited and is also a Non-Executive Director of Aviva Investors Holdings Limited and EB Asia Absolute Return Fund Ltd. He was previously Joint Head of JP Morgan Asset Management in Europe and Chief Executive of Jardine Fleming Investment Management in Hong Kong. Mr White was appointed as Chairman of the Remuneration and Management Engagement Committee with effect from 1 February 2015.



Keith Percy
Director

Appointed to the Board in 1991, he is Chairman of the Nomination Committee. He is Chairman of Brunner Investment Trust PLC and also a Non-Executive Director of JPMorgan Japanese Investment Trust PLC and The Henderson Smaller Companies Investment Trust PLC. Mr Percy was designated as the Senior Independent Director on 5 February 2015.

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

Principal Activity and Status

The Company is registered as a public limited company in England under company number 2648152. The Company is an investment company within the meaning of section 833 of the Companies Act 2006, carries on business as an investment trust and is a member of The Association of Investment Companies.

The Company is an approved investment trust under sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 October 2012. The Directors are of the opinion, under advice, that the Company has conducted its affairs so as to be able to retain such approval. The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

Regulatory Status

As an investment trust pursuant to section 1158 of the Corporation Tax Act 2010, the FCA rules in relation to non-mainstream investment products do not apply to the Company.

Directors

Mr C.A. Wood retired from the Board at the conclusion of the AGM which was held on 17 December 2014.

The names and short biographies of the Directors of the Company at the date of this Report are shown on page 16. All of the Directors served throughout the year ended 30 September 2015. The Directors' interests in the share capital of the Company at 30 September 2015 and 1 October 2014 are shown in the table on page 31.

In accordance with the Company's policy of annual re-election of Board members, Mr R.R.J. Burns, Ms J. Dixon, Mr J.J. Tigue and Mr M.B.E. White will retire from the Board and offer themselves for re-election at the next AGM. In light of the tenure of Mr K.E. Percy, being in excess of nine years from the date of his first election, the other Directors have reviewed his skills and experience and have no hesitation in also recommending to shareholders his re-election at the AGM. The relevant resolutions may be found in the Notice of AGM on page 55 of this report.

No contract or arrangement subsisted during the year in which any of the Directors is or was materially interested.

Directors' Indemnity

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association. This provides, subject to UK legislation, for the Company to indemnify Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors in which judgement is given in their favour or they are acquitted. The Company has granted indemnities to the Directors on this basis.

Additional Information

The rules governing the appointment of Directors are set out in the Statement of Corporate Governance on pages 21 to 26. The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party which take effect, alter or terminate upon a change of control of the Company following a takeover.

Share Capital and Voting Rights

Ordinary Shares

The Company's issued share capital at 30 September 2015 consisted of 42,976,691 Ordinary shares of 25p (30 September 2014 - 40,505,994) with each share holding one voting right.

During the year, the Company issued a total of 2,470,697 new Ordinary shares of 25p, of which 1,620,697 related to the exercise of Subscription shares.

Each shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every share held. There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law). The Company is not aware of any agreements between shareholders which may result in restriction in the transfer of securities and/or voting rights.

Governance

Directors' Report

Subscription Shares

Subscription shareholders are entitled to exercise their right to subscribe for one Ordinary share for every Subscription share held at a price of 320.00p per Ordinary share on the last business day of June and December up to December 2016.

At 30 September 2015, there were 5,197,076 Subscription shares of 0.01p, with no voting rights, in issue (2014 – 6,817,773).

During the year, shareholders exercised the rights attaching to 1,620,697 Subscription shares to allow them to subscribe for new Ordinary shares for a total consideration of £5,186,230.40.

Treasury Shares

The Company did not buy back any shares into treasury or for cancellation during the year ended 30 September 2015 (2014: nil). In addition, the Company did not hold any Ordinary shares in Treasury at that date (2014 – nil).

Investment Management Agreement

Investment management services have been provided to the Company by Standard Life Investments (Corporate Funds) Limited (the "Manager") since 2005 via an Investment Management Agreement ('IMA'). In July 2014, the Manager was appointed as the Company's Alternative Investment Fund Manager ('AIFM'), as required by the Alternative Investment Fund Managers Directive ('AIFMD'). The commercial terms of the IMA remained unchanged and is terminable by either party on not less than six months' notice.

Details of the investment management fee can be found in Note 3 to the Financial Statements.

The Remuneration and Management Engagement Committee has reviewed both the terms of the IMA and the performance of the Manager for the year ended 30 September 2015 and is of the opinion that the continuing appointment of the Manager, on the terms set out in the IMA, is in the best interest of shareholders as a whole. The key factors taken into account in reaching this decision were the commitment, investment skills and experience of the Manager's personnel and the long-term record of its performance in managing UK equities.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Corporate Governance

The Statement of Corporate Governance which forms part of the Directors' Report is shown on pages 21 to 26.

Going Concern

After enquiry, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments, and the ability of the Company to meet all of its liabilities and ongoing expenses. Accordingly, it is reasonable for the Financial Statements to continue to be prepared on a going concern basis.

Viability Statement

The Directors have considered the Company's prospects for a period of five years. The Directors consider this to be an appropriate period of time since the Company's Articles require that it pass a resolution to continue as an investment trust every five years.

As detailed in the Financial highlights on page 2, the Company has had a period of strong performance over the past year and since the implementation of the conviction-led investment strategy in November 2011. The Directors consider the Company's future prospects to be positive, as highlighted in the Chairman's Statement on page 5.

The principal risks faced by the Company, together with the steps taken to mitigate these risks are highlighted in the Business Review on page 13, and in the Statement of Corporate Governance on pages 21 to 26. The Company takes any potential risks to its ongoing success and ability to perform very seriously and works hard to ensure that risks are kept to a minimum at all times.

Therefore, after careful consideration of the Company's current position and future prospects and taking into account its risk-aware attitude, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the course of the forthcoming five year period.

Portfolio Manager's Holdings

| Portfolio manager | Ordinary shares | Subscription shares |
|-------------------|-----------------|---------------------|
| Thomas Moore | 20,403 | 21,000 |

The above holdings are as at the date of this Report and include immediate family holdings.

Substantial Interests in Shares

Information provided to the Company by major shareholders pursuant to the Financial Conduct Authority's Disclosure and Transparency Rules are published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware, as at 30 September 2015.

| Name of shareholder | Number of Ordinary shares | % |
|--|---------------------------|-------|
| Alliance Trust Savings | 6,427,697 | 14.96 |
| Charles Stanley, stockbrokers | 5,275,709 | 12.28 |
| Brewin Dolphin, stockbrokers | 4,621,527 | 10.75 |
| Hargreaves Lansdown, stockbrokers (Execution only) | 2,754,594 | 6.41 |
| Investec Wealth & Investment | 2,083,104 | 4.85 |
| Smith & Williamson | 1,784,460 | 4.15 |
| Brewin Dolphin, stockbrokers (Non-discretionary) | 1,479,207 | 3.44 |
| | 24,426,298 | 56.84 |

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware, as at the date of this report.

| Name of shareholder | Number of Ordinary shares | % |
|--|---------------------------|-------|
| Alliance Trust Savings | 6,445,194 | 15.00 |
| Charles Stanley, stockbrokers | 5,313,011 | 12.36 |
| Brewin Dolphin, stockbrokers | 4,507,166 | 10.49 |
| Hargreaves Lansdown, stockbrokers (Execution only) | 2,846,415 | 6.62 |
| Investec Wealth & Investment | 2,106,838 | 4.90 |
| Smith & Williamson | 1,839,269 | 4.28 |
| Brewin Dolphin, stockbrokers (Non-discretionary) | 1,482,751 | 3.45 |
| | 24,540,644 | 57.10 |

Independent Auditor

The Company's Independent Auditor is Grant Thornton UK LLP, and further information about their appointment can be found in the Report of the Audit Committee on pages 27 and 28 of this report.

Directors' Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Report have confirmed that, so far as they are each aware, there is no relevant audit information needed of which the Company's Independent Auditor was unaware, and that each Director had taken all the steps that he or she might reasonably be expected to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Independent Auditor was aware of that information.

Subsequent Events

There have been no events since 30 September 2015 requiring disclosure.

Annual General Meeting

The Notice of the AGM, which will be held this year at 11.30am on Wednesday 16 December 2015, may be found on pages 55 to 59.

Authority of Directors to allot shares (Ordinary Resolution 10)

The Directors cannot allot shares in the capital of the Company without the prior authorisation of the shareholders in general meeting under section 551 of the Companies Act 2006. If resolution 10 is passed, the Directors will have the authority to allot shares up to a maximum nominal amount of £3,581,390 which represents approximately one third of the Company's issued share capital (excluding shares held in treasury) as at 11 November 2015 (the last practicable date before the printing of this document).

As at the date of this report the Company did not hold any Ordinary shares in treasury. If given, this authority will expire at the conclusion of the next AGM of the Company or, if earlier, on 16 March 2017.

The Directors intend to see a renewal of such power at each AGM. The Directors consider that the authority proposed to be granted by resolution 10 is necessary to retain flexibility, although they do not at the present time have any intention of exercising such authority.

Governance

Directors' Report

Disapplication of pre-emption rights (Special Resolution 11)

If the Directors wish to exercise the authority under resolution 10 and offer shares for cash, the Companies Act 2006 requires that, unless shareholders have given specific authority for the waiver of the statutory pre-emption rights, the new shares are offered first to existing shareholders. The passing of resolution 11 would dis-apply the strict statutory pre-emption provisions in respect of shares up to a nominal value of £1,074,417 which represents approximately 10% of the Company's issued share capital as at 11 November 2015. If given, this authority will expire at the conclusion of the next AGM or, if earlier, on 16 March 2017.

Authority for the Company to purchase its own shares (Special Resolutions 12 and 13)

The Company's buy back authority was last renewed at the AGM of the Company held on 17 December 2014. Resolutions 12 and 13, if passed, would authorise the Company to buy back up to 6,442,205 Ordinary shares and 779,041 Subscription shares which represents approximately 14.99% of the Company's issued ordinary share capital (excluding shares held in treasury) and 14.99% of the Company's Subscription shares as at 11 November 2015 respectively. If given, these authorities will expire at the conclusion of the next AGM of the Company or, if earlier, on 16 March 2017. The Directors intend to seek a renewal of such powers at each AGM.

Any purchases of Ordinary shares will be made within guidelines established from time to time by the Directors, but they will only exercise the authority if, in their opinion, it would be in the interests of the Company to do so and would result in an increase in net asset value per Ordinary share for the remaining shareholders and if it is in the best interests of shareholders generally. Such purchases will only be made at prices below the prevailing net asset value per Ordinary share and within the price constraints set out in paragraphs (b) and (c) of resolution 12.

If the Directors exercise the authority conferred by resolution 12 the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to the authority and will decide at the time of purchase which option to pursue. The Directors will have regard to any guidelines issued by investor groups at the time of any such purchase, holding or re-sale of treasury shares, but the Directors would not in any circumstances sell treasury shares at less than net asset value per Ordinary share prevailing at the time of sale.

Purchases of Subscription shares will only be made through the Market at prices where the Directors believe such purchases will enhance Ordinary shareholder value and within the price constraints set out in paragraphs (b) and (c) of the resolution. Any Subscription shares repurchased by the Company will be cancelled and will not be held in treasury for reissue or resale.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of each resolution to be put to the AGM on 16 December 2015.

By order of the Board,

Maven Capital Partners UK LLP
Company Secretary

11 November 2015

Introduction

The Board is accountable to the Company's shareholders for high standards of corporate governance and this statement describes how the Company applies the main principles identified in the September 2014 UK Corporate Governance Code ("the Governance Code"). A copy of the Code is available from the website of the Financial Reporting Council at www.frc.org.uk. The Association of Investment Companies ("the AIC") has published its own Code on Corporate Governance ("the AIC Code"), by reference to the AIC Corporate Governance Guide for Investment Companies ("the AIC Guide"), both revised in February 2015, which provide a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts suggest alternative approaches to those set out in the Governance Code. Both the AIC Code and AIC Guide are available from the AIC website at www.theaic.co.uk.

This Statement of Corporate Governance forms part of the Directors' Report.

Application of the Main Principles of the Governance Code and the AIC Code

This statement describes how the main principles identified in the Governance Code and the AIC Code ("the Codes") have been applied by the Company throughout the year as is required by the Listing Rules of the UK Listing Authority. In instances where the Governance Code and AIC Code differ, an explanation will be given as to which governance code has been applied, and the reason for that decision.

The Board is of the opinion that the Company has complied fully with the main principles identified in the Codes except as set out below:

- the role of the chief executive — Code provision A2.1; and
- executive directors' remuneration — Code provisions D2.1, D2.2, and D2.4.
- the need for an internal audit function — Code provision C3.6.

For the reasons set out in the AIC Guide, and as explained in the Governance Code, the Board considers that these provisions are not relevant to the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

The names and biographies of those Directors who held office at 30 September 2015 and at the date of this Report appear on page 16 and indicate their range of investment, commercial and professional experience. Mr K.E. Percy is the Senior Independent Director and was appointed as such on 5 February 2015. All Directors are considered under the Codes to be independent of Standard Life Investments (Corporate Funds) Limited ("the Manager") and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

The Board sets the Company's values and objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance matters.

These matters include:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of business activities of the Company ranging from analysis of investment performance through to review of quarterly management accounts;
- monitoring of Disclosure and Transparency Rules and requirements of the Companies Act 2006, such as approval of Half-Yearly Financial Report and Annual Report and Financial Statements and approval and recommendation of any dividend;
- setting the range of gearing in which the Manager may operate;
- major changes relating to the Company's structure including share buy-backs and share issuance;
- Board appointments and removals and the related terms;
- authorisation of Directors' conflicts or possible conflicts of interest;
- terms of reference and membership of Board Committees;

Governance

Statement of Corporate Governance

- appointment and removal of the Manager and the terms and conditions of the Investment Management Agreement relating thereto; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority - responsibility for approval of all circulars, listing particulars and other releases concerning matters decided by the Board.

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

Following implementation of the Bribery Act 2010, the Board adopted appropriate procedures.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. The Directors have access to the advice and services of the Company Secretary through its appointed representative who is primarily responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows with the Board and its Committees, as well as facilitating induction and assisting with professional development as required; and
- for advising through the Chairman, on all corporate governance matters.

The Board meets formally at least five times a year, and more frequently where business needs require. The Board met on five occasions during the year ended 30 September 2015. Details of the attendance by each of the Directors and Committee members at these Board and other Committee meetings are shown in Table 1. Between meetings, the Board maintains regular contact with the Manager.

Table 1: Directors' attendance at Board and Committee meetings

| | Board Meetings | Audit | | Remuneration & Management Engagement Committee |
|-----------------------------|----------------|--------------------|----------------------|--|
| | | Committee Meetings | Nomination Committee | |
| R.R.J. Burns | 5 (5) | 2 (2) | 1 (1) | 1 (1) |
| J. Dixon | 5 (5) | 2 (2) | 1 (1) | 1 (1) |
| K. E. Percy | 5 (5) | 2 (2) | 1 (1) | 1 (1) |
| J. J. Tighe ² | 5 (5) | 2 (2) | 1 (1) | 1 (1) |
| M.B.E. White | 5 (5) | 2 (2) | 1 (1) | 1 (1) |
| C.A. Wood, OBE ³ | 2 (2) | 1 (1) | – | – |

Note 1. The number of meetings which the Directors were eligible to attend is in brackets.

Note 2. J.J. Tighe was appointed to the Board on 1 October 2014.

Note 3. C.A Wood, OBE, retired as Chairman of the Board of Directors at the AGM on 17 December 2014.

The primary focus at regular Board meetings is a review of investment performance and associated matters including gearing, marketing and investor relations and industry issues. To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings this consists of a comprehensive set of papers including the Manager's report and discussion documents regarding specific matters.

Delegated Functions

The Board has contractually delegated the following services to external firms:

- the management of the investment portfolio;
- the day to day accounting, company secretarial and administration services of the Company;
- custody services (which includes the safeguarding of assets), and
- shareholder registration services.

The contracts, including the investment management agreement with the Manager, were entered into after full and proper consideration by the Directors of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company. These contracts are also reviewed regularly by the Remuneration and Management Engagement Committee. Key staff from the Manager and the Company Secretary regularly attend appropriate Board meetings to brief the Directors on the nature and extent of the risks

facing the Company. Both written and oral reports are received throughout the year from the firms to which services are subcontracted, detailing, in each case, the internal control objectives and procedures adopted.

Board Committees

Copies of the terms of reference of the three Board Committees, which clearly define the responsibilities and duties of each Committee, are available on request from the Company Secretary or via the download area of the Company's webpage, hosted by the Manager, at www.standardlifeinvestments.com/its.

Audit Committee

Information regarding the composition, responsibilities and activities of the Audit Committee is detailed in the Report of the Audit Committee on pages 27 to 28.

Nomination Committee

The Directors have established a Nomination Committee comprising the full Board with Mr K.E. Percy as Chairman.

The main responsibilities of the Committee include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity, including gender diversity) of the Board;
- undertaking succession planning, taking into account the challenges and opportunities facing the Company and identifying candidates to fill vacancies;
- recruiting new directors, undertaking open advertising or engaging external advisers to facilitate the search, as appropriate, with a view to considering candidates from a range of backgrounds, on merit, and with due regard for the benefits of diversity on the Board, including gender, taking care to ensure that appointees have enough time available to devote to the position;
- ensuring that new appointees receive a formal letter of appointment and suitable induction and on-going training;
- arranging for annual Board performance evaluation to ensure that Directors are able to commit the time required to properly discharge their duties;

- making recommendations to the Board as to the position of Chairman, Senior Independent Director, Chairman of the Nomination Committee and Chairman of the Remuneration and Management Engagement Committee;
- assessing, on an annual basis, the independence of Directors; and approving the re-appointment of any Director or the re-election, subject to the Codes, or the Articles of Association, of any Director at the AGM, having due regard to their performance, ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

Although the Company does not have a formal policy on diversity, consideration of Board diversity forms part of the responsibilities of the Committee.

Remuneration and Management Engagement Committee

The Company's policy on Directors' remuneration and details of the remuneration of each Director are detailed in the Directors' Remuneration Report on pages 29 to 31.

At its meeting on 7 May 2015, the Committee reviewed the performance of the Manager. The performance for the Company's financial year has also been reviewed and, in the opinion of the Directors, the continuing appointment of the Manager, on the terms agreed, was in the best interest of Company's shareholders as a whole.

Tenure Policy

Directors' appointments are reviewed regularly by the Board as a whole. Any Director may resign by notice in writing to the Board at any time. None of the Directors have a service contract with the Company. There are no set notice periods and no compensation is payable to Directors on leaving office.

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. Nor does it consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the relevance of individual length of service will be determined on a case by case basis.

Governance

Statement of Corporate Governance

The Company's policy is for Directors to retire and present themselves for re-election annually. Accordingly, Mr R.R.J. Burns, Ms J. Dixon, Mr J.J. Tighe and Mr M.B. E. White will retire from the Board and offer themselves for re-election at the next AGM.

Pursuant to the UK Code Provision B.7.1, Mr K.E. Percy will also stand for re-election as Director at the forthcoming AGM. Notwithstanding that Mr Percy has served as Director for more than nine years from the date of his first appointment, the other Directors are firmly of the view that his independence has not been compromised by this length of service. In considering Mr Percy's independence, the Nomination Committee (excluding Mr. Percy) discussed this matter and it was agreed that Mr Percy remained independent and recommended that he should be re-elected as a Director.

Mr Percy will stand down as a Director at next year's AGM.

Directors Performance Evaluation

A performance evaluation using questionnaires to review the effectiveness of the Board as a whole, and of each individual Director, was carried out during the year. This sought to identify whether the Board demonstrates sufficient collective skill and experience, independence and knowledge of the Company and that each Director exhibits the commitment required for the Company to achieve its objectives. An evaluation of the Chairman, in his absence, was also carried out by the other Directors led by Mr K.E. Percy as the Senior Independent Director. The Board is satisfied with the resulting performance evaluation of the Board, each individual Director and the Chairman.

Internal Controls and Risk Management

The Board is ultimately responsible for the Company's system of internal controls and risk management and for reviewing its effectiveness. The Board confirms that there is an on-going process for identifying, evaluating and managing the significant risks faced by the Company in accordance with the Financial Reporting Council publication 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'.

A report identifying the material risks faced by the Company and the key controls employed to manage these risks is reviewed by the Audit Committee twice a year. Any control

weaknesses identified are reported to the Board and timetables are agreed for implementing improvements. The implementation of improvements, and any remedial action required, is closely monitored by the Board.

The Board has delegated the investment management of the Company's assets to the Manager within overall guidelines. The practical measures in relation to the design, implementation and maintenance of control policies and procedures to safeguard the Company's assets and to manage its affairs properly have been delegated to the Manager.

The Board has reviewed the effectiveness of the Manager's system of internal controls and risk management and, in particular, has reviewed the process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The Manager conducts an annual review of its system of internal controls which is documented within an internal controls report. This report is independently reviewed by the Manager's auditor and a copy is submitted to the Audit Committee. The Audit Committee also receives reports from the risk and compliance functions of the Manager and the Company Secretary on a regular basis.

Standard Life Investments (Corporate Funds) Limited is the Company's AIFM and, in that capacity, has a permanent risk management function to ensure that effective risk management policies and procedures are in place to monitor compliance with risk limits. The AIFM has a risk policy which covers the risks associated with the management of the portfolio and the adequacy and appropriateness of this policy is reviewed at least annually. BNP Paribas Securities Services is the Company's Depositary. The Depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements.

The system of internal controls and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the system of internal controls and risk management is designed to manage, rather than eliminate the risk of failure to achieve business objectives and, by its nature, can provide reasonable but not absolute assurance against material misstatement or loss.

The Directors confirm that they have reviewed the effectiveness of the Company's system of internal controls and risk management and that they have procedures in place to review its effectiveness on a regular basis. The procedures have been in place throughout the year under review and up to the date of approval of this report and no significant weaknesses were identified.

Communication with Shareholders

The Company reports formally to shareholders twice a year by way of the Half-Yearly Financial Report and the Annual Report which each include an analysis of the risks and uncertainties facing the Company. A monthly factsheet and monthly valuation report are also published on the website of the Manager and are available to all shareholders on request: see Key Contacts (page 51) for details. The Company's net asset value is published each business day.

The Directors are always available to discuss issues of concern or areas of uncertainty with any shareholders.

The Company has adopted a process which ensures that, where notification has been received in advance, nominee service operators will be provided with copies of shareholder communications for distribution to their customers. Nominee investors may attend general meetings and are entitled to speak at meetings.

The Company's AGM provides a forum for communication with shareholders and is attended by all Directors. The Manager makes a presentation to the meeting on investment process and performance. The Chairman announces the level of proxies lodged on each resolution, and the balance for and against and votes withheld, where relevant, after the resolution has been put to a show of hands. Each person attending the AGM as a proxy is entitled to vote on a show of hands. A separate resolution is proposed in respect of each substantially separate issue. In order to ensure that detailed discussion of key issues is possible, the Company normally aims to circulate to shareholders the Annual Report and the notice of the AGM not less than 20 working days before the date of the meeting.

Corporate Governance, Stewardship and Proxy Voting

The Board has delegated responsibility for actively monitoring the activities of portfolio companies to the Manager. The Board has reviewed and

accepts the Manager's corporate governance principles and policies ("the Principles and Policies"), which may be found on the Manager's website at: http://www.standardlifeinvestments.com/governance_and_stewardship/what_is_corporate_governance/principles_and_policies.html. These Principles and Policies set out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to the companies in which the Manager has invested or is considering investing.

The Board has reviewed the Manager's statement of compliance with the UK Stewardship Code, which appears on the Manager's website, at: http://www.standardlifeinvestments.com/governance_and_stewardship/the_uk_stewardship_code/index.html.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by portfolio companies and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to use discretion in the exercise of the Company's voting rights.

The Board recognises and supports the Manager's policy of active engagement with investee companies and the voting of all of the shares held by the Company. The Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

The Board is aware of its duty to act in the interests of the Company. The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of corporate governance. The Manager believes that this can best be achieved by entering into a dialogue with company management, where practicable, to encourage them where necessary, to improve their policies in this area.

Socially Responsible Investment Policy

The Manager undertakes constructive engagement with investee companies on issues of social, community and environmental responsibility in order to influence positively developments in these areas.

Statement of Corporate Governance

The Manager's specific policies can be found on the Manager's website at http://www.standardlifeinvestments.com/sustainable_and_responsible_investing/index.html.

The Manager believes that a company run in the long-term interests of its shareholders should manage its relationships with its employees, suppliers and customers and behave responsibly towards the environment and society as a whole. Companies that demonstrate a commitment to environmental and social responsibility are considered by the Manager to be likely to enjoy comparative advantage in the long run.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 32. The Statement of Going Concern is included in the Directors' Report on page 18 and the Viability Statement can also be found on page 18. The Independent Auditor's Report is on pages 33 to 35.

By order of the Board,
Maven Capital Partners UK LLP
Company Secretary

11 November 2015

Audit Committee

The Directors have established an Audit Committee which consists of all of the Directors of the Company. Details of the experience and qualifications of the Directors are set out on page 16. The Board is satisfied that all members of the Committee have a sufficient level of recent and relevant financial experience. The Committee was chaired throughout the year by Josephine Dixon.

Responsibilities

The main responsibilities of the Committee are:

- reviewing the financial statements of the Company and formal announcements relating to the Company's financial performance, and any significant financial reporting judgements contained in them;
- where requested by the Board, providing advice on whether the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model, position, and strategy;
- reviewing the Company's internal controls and risk management systems;
- reviewing an annual statement from the Manager detailing the arrangements in place whereby the Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- making recommendations to the Board in relation to the appointment of the external auditor and its remuneration;
- reviewing the external auditor's independence and objectivity and the effectiveness of the audit process;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services.

Financial Reporting

At its meeting in May 2015, the Committee reviewed the Company's Half Yearly Report for the six months ended 31 March 2015. At its meeting in November 2015, the Committee Reviewed the Company's Annual Report and Financial Statements for the year ended 30 September 2015.

The two most important accounting matters considered by the Committee in relation to the financial statements are the valuation, existence

and ownership of the investment portfolio and the recognition of dividend income. The Committee considered these matters as follows:

Valuation, existence and ownership of the investment portfolio

The Company uses the services of an independent custodian (BNP Paribas Securities Services) to hold the assets of the Company. An annual internal control report is received from the Custodian which provides details of the Custodian's control environment. The investment portfolio is reconciled regularly by the Manager and the reconciliation is also reviewed by the Independent Auditor. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts including a full portfolio listing are prepared quarterly and are considered at the quarterly meetings of the Board. The portfolio is also audited annually by the Independent Auditor. The valuation of investments is undertaken in accordance with the accounting policies disclosed in notes 1(b) and (c) to the Financial Statements on page 40. The Committee satisfied itself that there were no issues associated with the valuation, existence and ownership of the investments which required to be addressed.

Recognition of dividend income

The recognition of dividend income is undertaken in accordance with accounting policy note 1(d) to the Financial Statements on page 40. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the specific circumstances. The management accounts are reviewed by the Board on a quarterly basis and discussion takes place with the Manager regarding the allocation of any special dividends that have been received. The allocation of material special dividends is also reviewed by the Independent Auditor. The income resulting from special dividends is disclosed in Note 2 to the Financial Statements. The Committee concluded that there were no issues associated with the recognition of dividend income which required to be addressed

Following its review of the Annual Report and Financial Statements for the year ended 30 September 2015, the Committee provided advice to the Board that it considered that the Annual Report and Financial Statements, taken as a whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's performance and strategy.

Governance

Report of the Audit Committee

Internal Controls and Risk Management

The Committee reviewed the effectiveness of the Company's internal controls and risk management as described on pages 24 and 25. No significant weaknesses in the control environment were identified and it was also noted that the Auditor had not identified any significant issues in the audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

External Auditor

The Committee reviewed, for recommendation to the Board, the Audit Report from the external Auditor in relation to the Annual Report and Financial Statements for the year ended 30 September 2015. The Committee also considered the performance of Grant Thornton UK LLP as external Auditor.

As part of its review of auditor services, the Committee reviews the performance, cost effectiveness and general relationship with the Auditor. In addition, the Committee reviews the independence and objectivity of the Auditor. Key elements of these reviews include: discussions with the Manager regarding the audit service provided; separate meetings with the Auditor; consideration of the completeness and accuracy of the Auditor's reporting and a review of the relationships that the Auditor has with the Manager.

The Independent Auditor's Report is on pages 33 to 35. In accordance with regulatory requirements, the external Auditor, Grant Thornton UK LLP, rotates the Senior Statutory Auditor responsible for the audit every five years and this was last changed in 2014. The Company appointed RSM Robson Rhodes LLP as Auditor for the year ended 30 September 2004 and that firm merged with Grant Thornton UK LLP in 2007. There are currently no contractual obligations that restrict the Committee's choice of Auditor. However, in light of recent EU regulation and FRC guidance on audit tenders, the Board intends to put the audit out to tender in 2018 (for the audit of the year ended 30 September 2019) at the end of the current Senior Statutory Auditor's five year term. Details of the amount paid to Grant Thornton UK LLP during the year for audit fees is set out in Note 4 to the Financial Statements.

The Company has in place a policy governing and controlling the provision of non-audit services by the external Auditor, so as to safeguard their independence and objectivity. Shareholders are asked to approve the re-appointment, and the Directors' responsibility for the remuneration, of the Auditor at each Annual General Meeting. Any non-audit work, other than interim reviews, requires the specific approval of the Committee in each case. Non-audit work, where independence may be compromised or conflicts arise, is prohibited. There were no non-audit fees paid during the year to Grant Thornton UK LLP (2014: £nil)

The Board has concluded that the external auditor is independent of the Company and that a resolution should be put to the shareholders at the AGM on 16 December 2015 for the re-appointment of Grant Thornton UK LLP as external auditor.

For and on behalf of the Committee

Josephine Dixon
Chairman

11 November 2015

The Directors have established a Remuneration and Management Engagement Committee comprising the full Board with Mr M.B.E. White as Chairman. The Company has five non-executive Directors at the date of this report and their biographies can be found on page 16.

The Board consists entirely of non-executive Directors whose appointments are reviewed formally every three years by the Board as a whole. None of the Directors has a service contract with the Company and any Director may resign by notice in writing to the Board at any time; there are no set notice periods and no compensation is payable to a Director on leaving office.

Remuneration Policy

The Company's remuneration policy is reviewed annually by the Remuneration and Management Engagement Committee. It provides that fees payable to the Directors should be of the appropriate level to reflect the time spent by the Board on the Company's affairs and the responsibilities borne by each Directors and should be sufficient to enable candidates of high calibre to be recruited. The Committee also takes into account the fees paid to Directors of companies within its peer group. The policy is for the Chairman of the Board and of each Committee to be paid a fee which is proportionate to the additional responsibilities involved in the position. It is intended that the above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Directors are remunerated in the form of fees payable quarterly in arrears or on a monthly basis. There are no long term incentive schemes, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively. Directors' remuneration comprises solely of Directors' fees.

The Company's Articles of Association limit the fees payable to Directors to £150,000 per annum. The fees payable to the Directors for the year ended 30 September 2015 amount to £115,625.

The Board will ensure that the remuneration policy will be put to a shareholders' vote at least once every three years. An Ordinary resolution for the approval of this policy was put to shareholders at the 2013 AGM.

At the most recent review of Director's Fees in May 2015, the Board recommended that, the rates of remuneration should remain unchanged at: £27,500 for the Chairman, £23,500 for the Chairman of the Audit Committee, £20,500 for the Chairman of the Remuneration and Management Engagement Committee, £20,000 for the Chairman of the Nomination Committee and £19,000 for each other Director. The next review would take place in 2016.

During the year ended 30 September 2015, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, the Committee expects, from time to time, to review the fees paid to directors of other investment trust companies.

Directors' Fees and Total Remuneration

The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees, as stated above.

Directors do not have service contracts, but new Directors are provided with a letter of appointment. The terms of appointment provide that Directors should retire and be subject to re-election at the first Annual General Meeting after their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years.

There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.

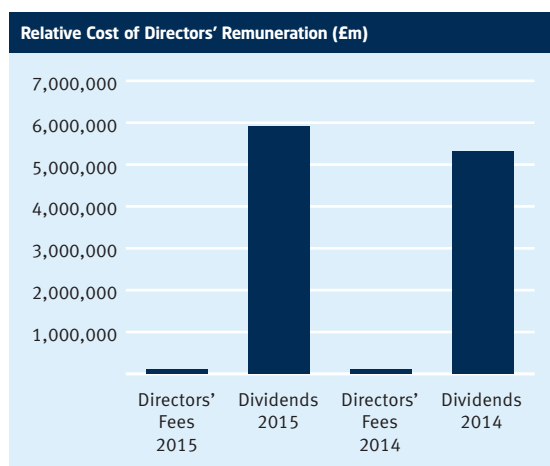
During the year ended 30 September 2015, no communication has been received from shareholders regarding Directors' remuneration. The remuneration policy and the level of fees payable are reviewed annually by the Board and it is intended that the current policy will continue for the year ended 30 September 2016.

Governance

Directors' Remuneration Report

Relative Cost of Shareholders' Remuneration

The bar chart below shows the comparative cost of Directors' fees compared with the level of dividend distribution for 2014 and 2015.



At the Annual General Meeting in December 2014 the results in respect of a resolution to approve the directors' remuneration were as follows:

| Percentage of votes cast | Percentage of votes cast |
|--------------------------|--------------------------|
| For | Against |
| 98.93 | 1.07 |

At the 2013 AGM, separate Resolutions were put to the Shareholders to approve the Directors' Remuneration Report for the year ended 30 September 2013 and the remuneration policy for the three year period ending 30 September 2016.

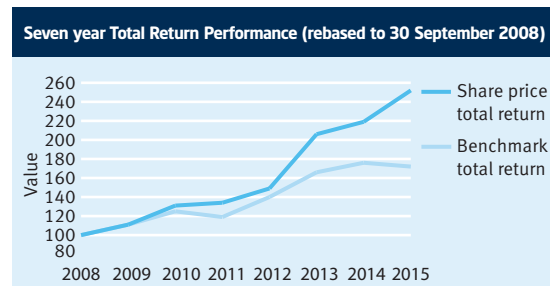
Directors' and Officers' Liability Insurance

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind nor does it form part of the Directors' Remuneration.

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Manager through the investment management agreement, as referred to in the Directors' Report. The graph below compares the Company's share price total

return to ordinary shareholders with the total return on the FTSE All-Share Index over the last six years with the assumption that all dividends are reinvested on the ex-dividend date. This index was chosen for comparison purposes only as it is a widely used indicator for the equity market in which the Company invests.



Directors' Remuneration

The Directors who served during the year received the following emoluments in the form of fees:

| | Year ended 30 September 2015 £ | Year ended 30 September 2014 £ |
|-----------------------------|--------------------------------------|--------------------------------------|
| R.R.J. Burns | 25,750 | 20,083 |
| J. Dixon | 23,500 | 22,917 |
| K. E. Percy | 20,000 | 19,583 |
| J.J. Tighe ¹ | 19,000 | – |
| M.B.E. White | 20,500 | 16,917 |
| C.A. Wood, OBE ² | 6,875 | 26,979 |
| Total | 115,625 | 106,479 |

Note 1. Mr Tighe was appointed to the Board on 1 October 2014.

Note 2. Mr Wood retired from the Board on 17 December 2014.

The above amounts exclude any employers' national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and none of the Directors has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 30 September 2015 (2014 – nil).

Directors' Interests

The Directors' Interests in the share capital of the company are shown in the table below. The Directors are not required to hold any shares in the Company.

| | Ordinary Shares held at 30 September 2015 | Ordinary Shares held at 1 October 2014 |
|-----------------------------|---|--|
| R.R.J. Burns | 188,000 | 188,000 |
| J. Dixon | 4,050 | 4,050 |
| K. E. Percy | 26,378 | 26,220 |
| J.J. Tighe ¹ | 25,886 | – |
| M.B.E. White | 10,000 | 10,000 |
| C.A. Wood, OBE ² | N/A | 20,500 |
| Total | 254,314 | 248,770 |

Note 1. Mr Tighe was appointed to the Board on 1 October 2014.

Note 2. Mr Wood retired from the Board on 17 December 2014.

Approval

This Annual Report on Remuneration was approved by the Board of Directors on 11 November 2015 and signed on its behalf by:

Mark White
Director

London, 11 November 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Accounting Standards. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's webpage hosted by the Manager. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are also responsible for ensuring that the Annual Report and Financial Statements, taken as a whole are fair balanced and understandable and provide the information necessary to assess the Company's performance, business model, position and strategy.

Directors' Responsibility Statement

Each Director confirms that:

- the Financial Statements have been prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces; and that
- the Annual Report and Financial Statements, taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Company's performance, business model, position and strategy.

For and on behalf of the Board of Standard Life Equity Income Trust plc

Richard Burns

Chairman

11 November 2015

Financial Statements

Independent Auditor's Report to the Members of Standard Life Equity Income Trust plc

Independent auditor's report to the members of Standard Life Equity Income Trust PLC

Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its return for the year then ended;
- have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Who we are reporting to

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

What we have audited

Standard Life Equity Income Trust plc's financial statements comprise the income statement, the balance sheet, the reconciliation of movements in shareholders' funds, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that are, in our judgement, likely to be most important to users' understanding of our audit.

Existence, ownership and valuation of investments

The risk: The Company's business is investing in a diversified portfolio consisting mainly of quoted UK equities with a view to providing shareholders with an above average income while also providing real growth in capital and income. Accordingly, the investment portfolio of mainly quoted UK equities is a significant material item in the financial statements. We therefore identified the existence, ownership and valuation of the investment portfolio as risks that require particular audit attention.

Our response: Our audit work included, but was not restricted to, understanding management's process to recognise and measure the fair value of the investment portfolio of investments in order to assess compliance with relevant accounting standards, and verification of the existence of those investments. We agreed the valuation of all the listed equity investments to an independent source of market prices. We obtained confirmation of the existence and ownership of the listed investments directly from the company's independent custodian, tested the reconciliation of the independent custodian's records to those records maintained by the Company's administrator, and tested a sample of listed investment additions and disposals shown in the Company's administrator's records to supporting documentation.

The Company's accounting policy on the valuation of investments is included in note 1(b), and its disclosures about investments held at the year-end are included in note 9. The Audit Committee identified the valuation, existence and ownership of the investment portfolio as an important accounting matter in its report on page 27, where the Committee also described the action that it has taken to address this matter.

Completeness and occurrence of investment income

The risk: Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, we identified the completeness and occurrence of investment income as risks that require particular audit attention.

Our response: Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (issued January 2009)'; obtaining an understanding of the Company's administrator's process for recognising revenue in accordance with the stated accounting policy; testing whether a sample of revenue transactions had been recognised in accordance with the policy; and for a sample of investments held in the period confirming that revenue that should have been received has been received and recorded and assessing whether any of the dividends received should have been treated as capital receipts.

Independent Auditor's Report to the Members of Standard Life Equity Income Trust plc

The Company's accounting policy on income from equity investments, including its recognition, is included in note 1(d) and the components of that income are included in note 2. The Audit Committee identified the recognition of dividend income as an important accounting matter in its report on page 27, where the Committee also described the action that it has taken to address this matter.

Our application of materiality and an overview of the scope of our audit

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We determined materiality for the audit of the financial statements as a whole to be £1,956,000, which is 1% of the Company's net asset value. This benchmark is considered the most appropriate because the primary measure of performance for this business is the movement in net asset value. We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality. We also determine a lower level of specific materiality for certain areas such as the revenue column of the income statement, the investment management fee directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £97,800. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Our responsibilities under those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the company in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third-party service providers, and inspecting records and documents held by the Company and third-party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Other reporting required by regulations

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Financial Statements

Independent Auditor's Report to the Members of Standard Life Equity Income Trust plc

In particular, we are required to report to you if:

- we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable; or
- the annual report does not appropriately disclose those matters that were communicated to the audit committee which we consider should have been disclosed; or
- we have anything material to add or to draw attention to in relation to:
 - the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the company including those that would threaten its business model, future performance, solvency or liquidity;
 - the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
 - the directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
 - the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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

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

- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the directors' statement, set out on page 18, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Responsibilities for the financial statements and the audit

What an audit of financial statements involves:

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

What the directors are responsible for:

As explained more fully in the Statement of Directors' Responsibilities set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Christopher Smith
Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants London

11 November 2015

Financial Statements

Income Statement

For the year ended 30 September

| | Notes | Revenue £'000 | 2015 Capital £'000 | Total £'000 | Revenue £'000 | 2014 Capital £'000 | Total £'000 |
|--|-------|------------------|--------------------------|----------------|------------------|--------------------------|----------------|
| Net gains on investments at fair value | 9 | — | 20,270 | 20,270 | — | 6,706 | 6,706 |
| Currency gains/(losses) | | — | — | — | — | (4) | (4) |
| Income | 2 | 7,957 | — | 7,957 | 7,084 | — | 7,084 |
| Investment management fee | 3 | (413) | (963) | (1,376) | (373) | (870) | (1,243) |
| Administrative expenses | 4 | (383) | — | (383) | (353) | — | (353) |
| NET RETURN BEFORE FINANCE COSTS AND TAXATION | | 7,161 | 19,307 | 26,468 | 6,358 | 5,832 | 12,190 |
| Finance costs | 5 | (117) | (274) | (391) | (118) | (276) | (394) |
| RETURN ON ORDINARY ACTIVITIES BEFORE TAXATION | | 7,044 | 19,033 | 26,077 | 6,240 | 5,556 | 11,796 |
| Taxation | 6 | — | — | — | (26) | — | (26) |
| RETURN ON ORDINARY ACTIVITIES AFTER TAXATION | | 7,044 | 19,033 | 26,077 | 6,214 | 5,556 | 11,770 |
| RETURN PER ORDINARY SHARE: | 8 | | | | | | |
| Basic | | 17.18p | 46.41p | 63.59p | 15.69p | 14.03p | 29.72p |
| Diluted | | 16.55p | 44.71p | 61.26p | 15.12p | 13.52p | 28.64p |

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

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

No operations were acquired or discontinued in the year.

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

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

Financial Statements

Balance Sheet

As at 30 September

| | Notes | 2015 £'000 | 2014 £'000 |
|---|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Investments designated at fair value through profit or loss | 9 | 210,877 | 188,277 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 1,166 | 1,103 |
| Money market funds | | 9,698 | 959 |
| Cash and short term deposits | | 196 | 54 |
| | | <u>11,060</u> | <u>2,116</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| Bank loan | 11 | (25,000) | (23,000) |
| Other creditors | 11 | (1,289) | (921) |
| | | <u>(26,289)</u> | <u>(23,921)</u> |
| NET CURRENT LIABILITIES | | <u>(15,229)</u> | <u>(21,805)</u> |
| NET ASSETS | | <u>195,648</u> | <u>166,472</u> |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 12 | 10,745 | 10,127 |
| Share premium account | | 32,473 | 24,084 |
| Capital redemption reserve | | 12,616 | 12,615 |
| Capital reserve | | | |
| Realised | | 89,272 | 80,554 |
| Unrealised | | 43,661 | 33,346 |
| | | <u>132,933</u> | <u>113,900</u> |
| Revenue reserve | | 6,881 | 5,746 |
| EQUITY SHAREHOLDERS' FUNDS | | <u>195,648</u> | <u>166,472</u> |
| NET ASSET VALUE PER ORDINARY SHARE: | | | |
| Basic | 13 | 455.24p | 410.98p |
| Diluted | | 440.65p | 397.87p |

The financial statements on pages 36 to 50 were approved by the Board of Directors and authorised for issue on 11 November 2015 and were signed on its behalf by:

Richard Burns
Chairman

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

Financial Statements

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 September 2015

| | Notes | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|-------|------------------------|-----------------------------------|--|--------------------------|--------------------------|----------------|
| Balance at 30 September 2014 | | 10,127 | 24,084 | 12,616 | 113,900 | 5,746 | 166,472 |
| Issue of ordinary shares on conversion of subscription shares | 12 | 405 | 4,781 | — | — | — | 5,187 |
| Issue of ordinary shares | | 213 | 3,608 | — | — | — | 3,821 |
| Return on ordinary activities after taxation | | — | — | — | 19,033 | 7,044 | 26,077 |
| Dividends paid | 7 | — | — | — | — | (5,909) | (5,909) |
| BALANCE AT 30 SEPTEMBER 2015 | | 10,745 | 32,473 | 12,616 | 132,933 | 6,881 | 195,648 |

For the year ended 30 September 2014

| | | Share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|----|------------------------|-----------------------------------|--|--------------------------|--------------------------|----------------|
| Balance at 30 September 2013 | | 10,033 | 21,576 | 12,615 | 102,772 | 4,841 | 151,837 |
| Issue of ordinary shares on conversion of subscription shares | 12 | 94 | 1,117 | — | — | — | 1,211 |
| Issue of ordinary shares from treasury | | — | 1,391 | — | 5,572 | — | 6,963 |
| Return on ordinary activities after taxation | | — | — | — | 5,556 | 6,214 | 11,770 |
| Dividends paid | 7 | — | — | — | — | (5,309) | (5,309) |
| BALANCE AT 30 SEPTEMBER 2014 | | 10,127 | 24,084 | 12,615 | 113,900 | 5,746 | 166,472 |

The capital reserve at 30 September 2015 is split between realised £89,272,000 and unrealised £43,661,000 (30 September 2014 is split between realised £80,554,000 and unrealised £33,346,000).

The revenue reserve and the realised capital reserve represent the amount of the Company's reserves distributable by way of dividend.

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

Financial Statements

Cash Flow Statement

For the year ended 30 September

| | | 2015 | 2014 |
|---|-------|----------|----------|
| | Notes | £'000 | £'000 |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 14 | 6,382 | 5,856 |
| NET CASH OUTFLOW FROM SERVICING OF FINANCE | | (395) | (390) |
| FINANCIAL INVESTMENT | | | |
| Purchases of investments | | (82,726) | (83,562) |
| Sales of investments | | 80,521 | 72,509 |
| NET CASH OUTFLOW FROM FINANCIAL INVESTMENT | | (2,205) | (11,053) |
| EQUITY DIVIDENDS PAID | | (5,909) | (5,309) |
| | | (2,127) | (10,896) |
| MANAGEMENT OF LIQUID RESOURCES | | | |
| Purchase of money market funds | | (68,061) | (58,626) |
| Sale of money market funds | | 59,322 | 58,310 |
| NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES | | (8,739) | (316) |
| NET CASH OUTFLOW BEFORE FINANCING | | (10,866) | (11,212) |
| FINANCING | | | |
| Proceeds from exercise of subscription shares | | 5,187 | 1,211 |
| Proceeds from issue of ordinary shares from treasury | | — | 6,963 |
| Proceeds from issue of ordinary shares | | 3,821 | — |
| Repayment of loan | | — | (20,000) |
| Drawdown of loan | | 2,000 | 23,000 |
| NET CASH INFLOW FROM FINANCING | | 11,008 | 11,174 |
| INCREASE/(DECREASE) IN CASH | | 142 | (38) |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET DEBT | | | |
| Increase/(decrease) in cash as above | | 142 | (38) |
| Net change in liquid resources | | 8,739 | 316 |
| Drawdown of loan | | (2,000) | (3,000) |
| Currency movements | | — | (4) |
| MOVEMENT IN NET DEBT IN YEAR | | 6,881 | (2,726) |
| Opening net debt | | (21,987) | (19,261) |
| CLOSING NET DEBT | 15 | (15,106) | (21,987) |

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

Financial Statements

Notes to the Financial Statements

For the year ended 30 September 2015

1. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in January 2009).

They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Directors' Report on page 17.

All values are rounded to the nearest thousand pounds (£000) except where indicated otherwise.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment strategy, and information about the portfolio is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the Company designates the investments 'at fair value through profit or loss'. They are included initially at fair value, which is taken to be their cost (excluding expenses incidental to the acquisition which are written off in the Income Statement, and allocated to 'capital' at the time of acquisition). Subsequent to initial recognition, investments are valued at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 along with some other securities.

Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

(c) Money market funds

The money market funds are used by the Company to provide additional short term liquidity. As they are not listed on a recognised exchange and due to their short term nature, they are recognised in the financial statements as a current asset and are included at fair value through profit or loss.

(d) Income

Income from equity investments (other than special dividends), including taxes deducted at source, is included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are credited to revenue or capital according to the circumstances. Foreign income is converted at the exchange rate applicable at the time of receipt. Interest receivable on short term deposits is accounted for on an accruals basis.

(e) Expenses and interest payable

Expenses are accounted for on an accruals basis. Expenses are charged to capital when they are incurred in connection with the maintenance or enhancement of the value of investments. In this respect, the investment management fee and relevant finance costs are allocated between revenue and capital in line with the Board's expectation of returns from the Company's investments over the long term in the form of revenue and capital respectively (see notes 3 and 5).

Transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Income Statement.

(f) Dividends payable

In accordance with FRS21, "Events after the balance sheet date" dividends that are declared and approved by the Company after the Balance Sheet date are not recognised as a liability of the Company at the Balance Sheet date.

(g) Capital reserves

Gains or losses on realisation of investments and changes in fair values of investments are included within the capital reserve. The capital element of the management fee along with any associated irrecoverable VAT and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve.

Financial Statements

Notes to the Financial Statements

(h) Taxation

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Balance Sheet date measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying temporary differences can be deducted. Temporary differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

Owing to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| 2. Income | | |
| Income from investments | | |
| Franked investment income | | |
| Ordinary dividends | 6,444 | 5,146 |
| Special dividends | 420 | 456 |
| | <u>6,864</u> | <u>5,602</u> |
| Overseas and unfranked investment income | | |
| Ordinary dividends | 765 | 896 |
| Special dividends | 293 | 534 |
| | <u>1,058</u> | <u>1,430</u> |
| Stock dividends | — | 25 |
| | <u>7,922</u> | <u>7,057</u> |
| Other income | | |
| Money market interest | 19 | 17 |
| Underwriting commission | 16 | 10 |
| | <u>35</u> | <u>27</u> |
| Total income | <u>7,957</u> | <u>7,084</u> |
| 3. Investment management fee | | |
| Charged to revenue reserve | 413 | 373 |
| Charged to capital reserve | 963 | 870 |
| | <u>1,376</u> | <u>1,243</u> |

The Company has an agreement with Standard Life (Corporate Funds) Limited for the provision of management services. The contract is terminable by either party on not less than six months notice.

The fee is based on 0.65% of total assets, payable quarterly in arrears and is chargeable 30% to revenue and 70% to capital (see note 1(e)).

Financial Statements

Notes to the Financial Statements

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| 4. Administrative expenses | | |
| Directors' fees | 115 | 106 |
| Fees payable to the Company's Auditor (excluding VAT): - for the audit of the annual financial statements | 22 | 21 |
| Professional fees | 16 | 29 |
| Depository fees | 43 | 7 |
| Other expenses | 187 | 190 |
| | <u>383</u> | <u>353</u> |

With the exception of fees payable to the Company's auditor, irrecoverable VAT has been included under the relevant expense line above. Irrecoverable VAT on fees payable to the Company's auditor is included within other expenses.

Additional information concerning Directors' fees can be found in the Directors' Remuneration Report on pages 29 to 31.

| | 2015 £'000 | 2014 £'000 |
|-------------------------------|---------------|---------------|
| 5. Finance costs | | |
| On bank loans and overdrafts: | | |
| Charged to revenue reserve | 117 | 118 |
| Charged to capital reserve | 274 | 276 |
| | <u>391</u> | <u>394</u> |

Finance costs are chargeable 30% to revenue and 70% to capital (see note 1(e)).

| | 2015 £'000 | 2014 £'000 |
|--------------------|---------------|---------------|
| 6. Taxation | | |

(a) Analysis of charge for the year

| | | |
|--------------------------|----------|-----------|
| Overseas withholding tax | <u>—</u> | <u>26</u> |
|--------------------------|----------|-----------|

(b) Factors affecting current tax charge for the year

The corporation tax rate was 21% until 31 March 2015 and 20% from 1 April 2015 giving an effective rate of 20.5%. The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK.

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

| | | |
|---|---------------|---------------|
| Total return on ordinary activities before taxation | <u>26,077</u> | <u>11,796</u> |
| Return on ordinary activities at the UK standard rate of corporation tax 20.5% (2014 - 22%) | 5,346 | 2,595 |
| Effects of: | | |
| Gains on investments not taxable | (4,155) | (1,475) |
| Non-taxable income | (1,578) | (1,513) |
| Excess management expenses and loan relationship debit expenses | 387 | 393 |
| Overseas withholding tax | <u>—</u> | <u>26</u> |
| Total taxation | <u>—</u> | <u>26</u> |

At 30 September 2015, the Company had unutilised management expenses and loan relationship losses of £19,336,000 (2014 - £17,456,000). No deferred tax asset has been recognised on the unutilised management expenses and loan relationship losses as it is unlikely there will be suitable taxable profits from which the future reversal of the deferred tax asset could be deducted.

Financial Statements

Notes to the Financial Statements

7. Dividends on Ordinary shares

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Amounts recognised as distributions to equity holders in the year: | | |
| Final dividend for 2014 of 4.40p per share (2013 - 3.80p) | 1,782 | 1,473 |
| First quarterly dividend for 2015 of 3.20p per share (2014 - 3.20p) | 1,301 | 1,269 |
| Second quarterly dividend for 2015 of 3.40p per share (2014 - 3.20p) | 1,383 | 1,271 |
| Third quarterly dividend for 2015 of 3.40p per share (2014 - 3.20p) | 1,443 | 1,296 |
| | <u>5,909</u> | <u>5,309</u> |

The proposed final dividend for 2015 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £7,044,000 (2014 - £6,214,000).

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| First quarterly dividend for 2015 of 3.20p per share (2014 - 3.20p) | 1,301 | 1,269 |
| Second quarterly dividend for 2015 of 3.40p per share (2014 - 3.20p) | 1,383 | 1,271 |
| Third quarterly dividend for 2015 of 3.40p per share (2014 - 3.20p) | 1,443 | 1,296 |
| Proposed final dividend for 2015 of 4.70p per share (2014 - 4.40p) | 2,020 | 1,782 |
| | <u>6,147</u> | <u>5,618</u> |

8. Return per Ordinary share

| | 2015 £'000 | p | 2014 £'000 | p |
|--|-------------------|--------------|-------------------|--------------|
| Basic | | | | |
| Revenue return | 7,044 | 17.18 | 6,214 | 15.69 |
| Capital return | 19,033 | 46.41 | 5,556 | 14.03 |
| Total return | <u>26,077</u> | <u>63.59</u> | <u>11,770</u> | <u>29.72</u> |
| Weighted average number of Ordinary shares in issue ^A | <u>41,010,971</u> | | <u>39,609,718</u> | |
| Diluted | | | | |
| Revenue return | 7,044 | 16.55 | 6,214 | 15.12 |
| Capital return | 19,033 | 44.71 | 5,556 | 13.52 |
| Total return | <u>26,077</u> | <u>61.26</u> | <u>11,770</u> | <u>28.64</u> |
| Number of dilutive shares | <u>1,556,223</u> | | <u>1,483,865</u> | |
| Diluted shares in issue | <u>42,567,194</u> | | <u>41,093,583</u> | |

The calculation of the diluted total, revenue and capital returns per Ordinary share are carried out in accordance with Financial Reporting Standard No. 22, "Earnings per Share". For the purposes of calculating diluted total, revenue and capital returns per Ordinary share, the number of Ordinary shares is the weighted average used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all Subscription shares by reference to the average share price of the Ordinary shares during the period.

^A Calculated excluding shares held in Treasury where applicable.

Financial Statements

Notes to the Financial Statements

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| 9. Investments | | |
| Fair value through profit or loss | | |
| Opening book cost | 154,930 | 133,233 |
| Opening fair value gains on investments held | 33,347 | 36,848 |
| Opening fair value | 188,277 | 170,081 |
| Movements in the year: | | |
| Purchases at cost | 82,983 | 83,692 |
| Sales – proceeds | (80,653) | (72,202) |
| – realised gains on sales | 9,955 | 10,207 |
| Current year fair value gains/(losses) on investments held | 10,315 | (3,501) |
| Closing fair value | 210,877 | 188,277 |
| Closing book cost | 167,215 | 154,930 |
| Closing fair value gains on investments held | 43,662 | 33,347 |
| Closing fair value | 210,877 | 188,277 |
| Gains on investments held at fair value through profit or loss | | |
| Gains on sales | 9,928 | 10,047 |
| Gains on special dividends | 27 | 160 |
| Increase/(decrease) in fair value gains on investments held | 10,315 | (3,501) |
| | 20,270 | 6,706 |

Transaction costs

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

| | 2015 £'000 | 2014 £'000 |
|--------------|---------------|---------------|
| Purchases | 417 | 397 |
| Sales | 97 | 77 |
| Total | 514 | 474 |

Purchase costs include stamp duty of £343,000 (2014 : £315,000)

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| 10. Debtors: amounts falling due within one year | | |
| Amounts due from brokers | 500 | 368 |
| Net dividends and interest receivable | 549 | 654 |
| Other debtors | 117 | 81 |
| | 1,166 | 1,103 |

Financial Statements

Notes to the Financial Statements

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| 11. Creditors: amounts falling due within one year | | |
| Bank loan | 25,000 | 23,000 |
| Other creditors | | |
| Amounts due to brokers | 387 | 130 |
| Investment management fee payable | 709 | 623 |
| Sundry creditors | 193 | 168 |
| | <u>1,289</u> | <u>921</u> |

During the year, the Company increased its revolving credit facility with Scotiabank (Ireland) Ltd, from £25m to £30m.

As at 30 September 2015, the Company had drawn down £25 million (2014 - £23 million) of the £30 million (2014 - £25 million) loan facility arranged with Scotiabank (Ireland) Ltd, £20 million maturing on 28 October 2015, £3 million maturing on 28 October 2015 and £2 million maturing on 9 October 2015, at interest rates of 1.60819%, 1.60819% and 1.60538%. Subsequent to the year end, the £20 million loan was rolled over from 28 October 2015 to 30 November 2015 at an interest rate of 1.60569%, the £3 million loan was rolled over from 28 October 2015 to 30 November 2015 at an interest rate of 1.60569%, and the £2 million loan was rolled over from the 9 October 2015 to 28 October at an interest rate of 1.59163%, and then to 30 November 2015 at an interest rate of 1.60569%.

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| 12. Called up share capital | | |
| Issued and fully paid: | | |
| Ordinary shares of 25p each | | |
| Opening balance of 40,505,994 (2014 - 38,419,941) Ordinary shares | 10,126 | 9,605 |
| Issue of 1,620,697 (2014 - 378,725) Ordinary shares on conversion of Subscription shares | 405 | 94 |
| Issue of nil (2014 - 1,707,328) Ordinary shares from Treasury | — | 427 |
| Issue of 850,000 (2014 - nil) Ordinary shares | 213 | — |
| Closing balance of 42,976,691 (2014 - 40,505,994) Ordinary shares | <u>10,744</u> | <u>10,126</u> |
| Subscription shares of 0.01p each | | |
| Opening balance of 6,817,773 (2014 - 7,196,498) Subscription shares | 1 | 1 |
| Conversion of 1,620,697 (2014 - 378,725) Subscription shares into Ordinary shares | — | — |
| Closing balance of 5,197,076 (2014 - 6,817,773) Subscription shares | <u>1</u> | <u>1</u> |
| Treasury shares | | |
| Opening balance of nil (2014 - 1,707,328) Treasury shares | — | 427 |
| Issue of nil (2014 - 1,707,328) Ordinary shares from Treasury | — | (427) |
| Closing balance of nil (2014 - nil) Treasury shares | <u>—</u> | <u>—</u> |
| | <u>10,745</u> | <u>10,127</u> |

Financial Statements

Notes to the Financial Statements

On 17 December 2010 the Company issued 7,585,860 Subscription shares of 0.01p each by way of a bonus issue to the Ordinary shareholders on the basis of one Subscription share for every five Ordinary shares. Each Subscription share confers the right, but not the obligation, to subscribe for one Ordinary share on any subscription date, being the final business day of June and December in each year commencing June 2011 and finishing on the last business day of December in 2016, after which the rights under the Subscription shares will lapse. The conversion price has been determined as being 320p.

During the year, shareholders have exercised their right to convert 1,620,697 (2014 - 378,725) Subscription shares into ordinary shares for a total consideration of £5,187,000 (2014 - £1,211,000).

During the year, nil (2014 - 1,707,328) Ordinary shares were issued from Treasury for a total consideration of £nil (2014 - £6,963,000).

During the year, 850,000 (2014 - nil) Ordinary shares were issued for a total consideration of £3,821,000 (2014 - nil).

There were no shares repurchased during the year. The total shares held in Treasury is nil (2014 - nil). The number of Subscription shares in issue at 30 September 2015 is 5,197,076 (2014 - 6,817,773).

13. Net asset value per share

The net asset value per share and the net assets attributable to Ordinary shares at the end of the year calculated in accordance with the Articles of Association were as follows:

| | 2015 | 2014 |
|--|------------|------------|
| Basic | | |
| Total shareholders' funds (£'000) | 195,648 | 166,472 |
| Number of Ordinary shares in issue at year end ^A | 42,976,691 | 40,505,994 |
| Net asset value per share | 455.24p | 410.98p |
| Diluted | | |
| Total shareholders' funds assuming exercise of Subscription shares (£'000) | 212,279 | 188,289 |
| Number of potential Ordinary shares in issue at year end ^A | 48,173,767 | 47,323,767 |
| Net assets per share | 440.65p | 397.87p |

The diluted net asset value per Ordinary share has been calculated in accordance with guidelines issued by the Association of Investment Companies and assumes that all outstanding Subscription shares were converted into Ordinary shares at the year end.

^A Excludes shares in issue held in Treasury where applicable.

14. Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Net return before finance costs and taxation | 26,468 | 12,190 |
| Adjustments for: | | |
| Net gains on investments at fair value | (20,270) | (6,706) |
| Net currency (gains)/losses | — | 4 |
| Decrease in accrued income | 105 | 36 |
| Increase in other debtors | (5) | (3) |
| Increase in other creditors | 114 | 381 |
| Net overseas tax paid | (30) | (46) |
| Net cash inflow from operating activities | 6,382 | 5,856 |

Financial Statements

Notes to the Financial Statements

| | At 30 September 2014 | Cashflow | Currency movements | At 30 September 2015 |
|--|----------------------|--------------|--------------------|----------------------|
| | £'000 | £'000 | £'000 | £'000 |
| 15. Analysis of changes in net debt | | | | |
| Cash at bank and in hand | 54 | 142 | — | 196 |
| Money market funds | 959 | 8,739 | — | 9,698 |
| Bank loan | (23,000) | (2,000) | — | (25,000) |
| Net debt | (21,987) | 6,881 | — | (15,106) |

16. Financial instruments

The Company's financial instruments comprise securities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company also has the ability to enter into derivative transactions for the purpose of managing currency and market risks arising from the Company's activities.

The main risks the Company faces from its financial instruments are (i) market price risk (comprising a) interest rate risk, b) currency risk and c) other price risk), (ii) liquidity risk and (iii) credit risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices.

This market risk comprises three elements - interest rate risk, currency risk and other price risk.

a) Interest rate risk

Interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings.

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

It is the Company's policy to increase its exposure to equity market price risk through the judicious use of borrowings. When borrowed funds are invested in equities, the effect is to magnify the impact on Shareholders' funds of changes - both positive and negative - in the value of the portfolio.

Financial Statements

Notes to the Financial Statements

Interest rate profile:

The interest rate risk profile of the portfolio of financial assets and liabilities at the Balance Sheet date was as follows:

| | Weighted average period for which rate is fixed Years | Weighted average interest rate % | Fixed rate £000 | Floating rate £000 |
|--------------------------------|--|---|--------------------|--------------------------|
| As at 30 September 2015 | | | | |
| <i>Assets</i> | | | | |
| Money market funds | — | 0.52 | — | 9,698 |
| Cash deposits | — | — | — | 196 |
| Total assets | — | 0.51 | — | 9,894 |
| <i>Liabilities</i> | | | | |
| Bank loans | 0.1 | 1.61 | 25,000 | — |
| Total liabilities | 0.1 | 1.61 | 25,000 | — |
| As at 30 September 2014 | | | | |
| <i>Assets</i> | | | | |
| Money market funds | — | 0.53 | — | 959 |
| Cash deposits | — | — | — | 54 |
| Total assets | — | 0.50 | — | 1,013 |
| <i>Liabilities</i> | | | | |
| Bank loans | 0.1 | 1.66 | 23,000 | — |
| Total liabilities | 0.1 | 1.66 | 23,000 | — |

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans.

The floating rate assets consist of money market funds and cash deposits on call earning interest at prevailing market rates.

All financial liabilities are measured at amortised cost.

Maturity profile:

The Company did not hold any assets at 30 September 2015 or 30 September 2014 that had a maturity date. As detailed in note 11, the £20m, £3m and £2m loans drawn down had maturity dates of 28 October 2015, 28 October 2015 and 9 October 2015, respectively, at the Balance Sheet date. (2014 : £20m on 22 October 2014; £3m on 27 October 2014).

Interest rate sensitivity:

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

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

- profit for the year ended 30 September 2015 would increase / decrease by £151,000 (2014 : increase / decrease by £220,000). This is mainly attributable to the Company's exposure to interest rates on its fixed rate borrowings and floating rate cash balances.

b) Currency risk

All of the Company's investments are in Sterling. The Company can be exposed to currency risk when it receives dividends in currencies other than sterling. The current policy is not to hedge this risk but this policy is kept under constant review by the Board.

c) Other price risk

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

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets and the stock selection process, as detailed on page 12, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on the London Stock Exchange.

Other price risk sensitivity:

If market prices at the Balance Sheet date had been 10% higher or lower while all other variables remained constant, the return attributable to ordinary shareholders and equity for the year ended 30 September 2015 would have increased/decreased by £21,088,000 (2014 - increase/decrease of £18,828,000). This is based on the Company's equity portfolio held at each year end.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan and overdraft facilities (note 11).

(iii) Credit risk

This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

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

- where the investment manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, whose credit-standing and credit rating is reviewed periodically by the investment manager, and limits are set on the amount that may be due from any one broker;
- cash and money invested in AAA money market funds are held only with reputable banks.

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

Credit risk exposure

In summary, compared to the amount in the Balance Sheet, the maximum exposure to credit risk at 30 September was as follows:

| | 2015 | | 2014 | |
|--|------------------------|---------------------------|------------------------|---------------------------|
| | Balance Sheet £'000 | Maximum exposure £'000 | Balance Sheet £'000 | Maximum exposure £'000 |
| Current assets | | | | |
| Debtors | 1,166 | 1,166 | 1,103 | 1,103 |
| Money market funds (indirect exposure) | 9,698 | 9,698 | 959 | 959 |
| Cash and short term deposits | 196 | 196 | 54 | 54 |
| | <u>11,060</u> | <u>11,060</u> | <u>2,116</u> | <u>2,116</u> |

None of the Company's financial assets is past due or impaired.

Fair values of financial assets and financial liabilities

The fair value of borrowings is not materially different to the accounts value in the financial statements of £25,000,000 (note 11).

17. Fair Value hierarchy

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

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

The quoted equities and money market funds held by the Company at 30 September 2015 and 30 September 2014 were all Level 1.

18. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board normally seeks to limit gearing to 15% of net assets. At the year end the Company had gearing of 7.7% of net assets (2014 - 13.2%).

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

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period. Any year end positions are presented in the Balance Sheet.

19. Contingent liabilities

As at 30 September 2015 there was an underwriting liability of £4,624,000 (2014 - £2,200,000). This commitment was in relation to a placing by Assura Group. Subsequent to the year end, the Company was allocated £1,274,000 of shares in the placing.

Investment Manager

Standard Life Investments
1 George Street
Edinburgh EH2 2LL
(Authorised and regulated by the
Financial Conduct Authority)

Website Address:
www.standardlifeinvestments.com/its
Telephone: 0845 60 60 062

Company Secretary

Maven Capital Partners UK LLP
1st Floor
Kintyre House
205 West George Street
Glasgow G2 2LW
Telephone: 0141 306 7400

Registered Office

30 St Mary Axe
London EC3A 8EP
Registered in England & Wales No.
2648152

Independent Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Depository and Custodian

BNP Paribas Securities
55 Moorgate
London, EC2R 6PA

Lenders

Scotiabank (Ireland) Limited
I.F.S.C. House
Custom House Quay
Dublin 1
Ireland

Stockbrokers

J.P.Morgan Cazenove
29th Floor
25 Bank Street
London E14 5JP

Registrars

Computershare Investor
Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1150
www.investorcentre.co.uk

Additional Information

Shareholder Information

Buying Shares in the Company

The Company's shares are traded on the London Stock Exchange and can be bought and sold through a stock broker, financial adviser or via an investment platform.

Share Register Enquiries

Shareholders who hold their shares in certificated form can check their shareholding with the registrars, Computershare Investor Services PLC, via www.uk.computershare.com/investor

Please note that to gain access to your details on the Computershare site you will need the holder reference number on the top left hand corner of your share certificate or on your tax voucher.

Notifications of changes of address and all enquiries regarding certificates or dividend cheques should be sent in writing to the registrars.

Savings Scheme and ISA

The Standard Life Investment Trust Savings Scheme and ISA was closed on 5 June 2015 and transferred to Alliance Trust Savings. Investor enquiries about administration and applications should now be directed to Alliance Trust Savings on 01382 573737 or contact@alliancetrust.co.uk.

Disability Act

Copies of this Annual Report or other documents issued by the Company are available from the Company Secretary.

If needed, copies can be made available in larger type.

Our registrars have installed text phones to allow speech and hearing impaired people who have their own text phone to contact them directly without the need for an intermediate operator. Specially trained operators are available during normal business hours to answer queries via this service. The number for this is 0370 702 0005.

Alternatively, you may use a "type talk" operator (provided by the Royal National Institute for the Deaf) on 0800 731 1888.

Share Information

The Company's share prices are quoted daily in the Financial Times and The Daily Telegraph.

Details of the Company may also be found on the Manager's website which can be found at:

www.standardlifeinvestments.com/its and on TrustNet, website address: www.trustnet.co.uk

The net asset value per Ordinary share is calculated on a daily basis and is published on the London Stock Exchange where the latest live Ordinary share price is also displayed, subject to a delay of 15 minutes. "SLET" is the Code for the Ordinary shares which may be accessed at www.londonstockexchange.com

Regulatory Status

As an investment trust pursuant to section 1158 of the Corporation Taxes Act 2010, the FCA rules in relation to non-mainstream investment products do not apply to the Company.

Capital Gains Tax

To assist those shareholders who invested in the Company at its launch in the calculation of capital gains, the apportionment of cost between Ordinary shares and warrants on 6 December 1991, the first day on which dealing in Ordinary shares and warrants took place separately, is 95.2% and 4.8% respectively.

The apportionment of cost between the Ordinary shares and warrants arising out of the conversion of C shares on 14 February 1994, the first day on which dealings took place, is 93.1% and 6.9% respectively.

The apportionment of cost between the Ordinary shares and Subscription shares on the first day of dealing in the Subscription shares (20 December 2010) is 97.5% and 2.5% respectively.

Alternative Investment Fund Managers ('AIFM') Directive

In accordance with the AIFM Directive, information in relation to the Company's leverage and the remuneration of the Company's AIFM, Standard Life Investments (Corporate Funds) Limited, is required to be made available to investors. In accordance with the Directive, the AIFM's remuneration policy is available from Standard Life Investments (Corporate Funds) Limited on request and the numerical remuneration disclosures in relation to the AIFM's first relevant accounting period (year ended 31 December 2015) will be made available in due course.

The Company's maximum and average actual leverage levels at 30 September 2015 are shown below

| | Gross method | Commitment method |
|--------------------------|--------------|-------------------|
| Leverage exposure | | |
| Maximum limit | 300.0% | 200.0% |
| Actual | 107.7% | 112.8% |

For the purposes of the AIFM Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of the Company's exposure to its net asset value and is calculated on both a gross and commitment method. Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

The leverage limits are set by the AIFM and approved by the Board and are in line with the maximum leverage levels permitted in the Company's Articles of Association. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings

AIC Membership

The Company is a member of the Association of Investment Companies (AIC). The AIC publishes a Monthly Information Service which contains a wide range of detailed information including statistical and performance data on all its members. A sample copy can be obtained free of charge from The AIC, 9th Floor, 24 Chiswell Street, London EC1Y 4YY (telephone 020 7282 5555) along with full details of other publications available from the AIC. Alternatively, visit their website on www.theaic.co.uk

Dividend Reinvestment Plan

The Company, in conjunction with Computershare Investor Services PLC, the Company's registrars, has established a Dividend Reinvestment Plan through which shareholders can use their dividends to purchase further shares in the Company. Full details of the Plan are available from the Company's registrars:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Telephone: 0370 707 1150

Electronic Communications

The Company is now able to send you annual reports and notices of meetings electronically. Full details are given below.

Reports to shareholders are made available on the Manager's website as soon as they are published. As a result of new legislation, we are now allowed to send information, including our Annual Report, to registered shareholders by e-mail and over the internet, rather than in paper form.

How does this work?

Once you register for the electronic communication option an e-mail is sent to you when a document is available. The e-mail provides a link to a website where you will be able to access and download the document.

What documents are typically available?

The documents which are available include the Annual Report and Financial Statements, Half Yearly Report, notices of general meetings and any other notices to shareholders.

What are the advantages?

If your shares are held in a designated nominee account you can request that the nominee holder registers you to receive the information electronically. Advantages of this facility include documents which can be accessed quickly, nominees who currently receive excess unwanted copies of documents can eliminate waste and cost savings can be made through reduced use of paper handling and storage.

What about Terms and Conditions?

Before you register, you will be asked to agree to the Terms and Conditions for Electronic Communication with Shareholders which will be displayed on the registration screens. It is important that you read them carefully as they set out the basis on which electronic communications will be sent to you.

Do I have to use this service?

No. The use of electronic communications is voluntary. If you wish to continue to receive communications in paper form you should take no action.

Who will have access to my e-mail address?

Your e-mail address will not form part of the information that we are required to make public by law. It will be held separately and securely and will not be used by the Company or by its registrars for any purpose other than communication with you as a shareholder. Your details will not be given to any other party.

Additional Information

Shareholder Information

What about computer viruses?

Every precaution will be taken to ensure that all messages sent to you are free from computer viruses. However, it is possible for e-mail messages to be intercepted by someone else. In choosing to receive electronic communications you are agreeing that neither the Company nor the registrars will be under any liability for losses that may arise as a result of interference by a third party.

What happens if I do not receive a specific electronic communication?

It is possible that there will be a small number of cases where electronic communication is unsuccessful. Although the Company's obligation is satisfied by sending the e-mail to the address provided by you, the Company will make every effort to make sure that every delivery is successful. When a transmission failure is notified, a further attempt will be made at electronic delivery. If delivery is not successful details on how to re-register for electronic shareholder communications will be sent through the post within 48 hours of the original message.

Can I change my e-mail address?

Yes. As with your postal address you will need to inform the registrars of any changes to your e-mail address. This can be done at www-uk.computershare.com/investor

How do I register?

If you wish to receive notice of future communications by e-mail please log on to www-uk.computershare.com/investor and follow these four easy steps to complete the formal registration process. You will need to have your shareholder reference number, which can be found on your tax voucher or share certificate, available when you first log in:

- 1 Select the "Electronic Shareholder Communications" option
- 2 Select "STANDARD LIFE EQUITY INCOME TRUST PLC" from the Company list
- 3 Enter your shareholder details (Shareholder Reference Number and Postcode)
- 4 Select the Communication Details option
- 5 Enter your e-mail address.

Annual General Meeting Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty-fourth Annual General Meeting of the Company will be held at the offices of Standard Life Investments Limited, 30 St Mary Axe, London EC3A 8EP on Wednesday, 16 December 2015 at 11.30am for the purposes of considering and if thought fit passing the following resolutions, of which resolutions 1 to 10 inclusive will be proposed as ordinary resolutions, and resolutions 11 to 13 inclusive will be proposed as special resolutions:

- 1 To receive and consider the Directors' Report and Financial Statements for the year ended 30 September 2015, together with the Independent Auditor's report thereon.
- 2 To receive and approve the Directors' Remuneration Report for the year ended 30 September 2015.
- 3 To approve a fourth quarterly dividend for the year ended 30 September 2015 of 4.70p per Ordinary share.
- 4 To re-elect Mr R.R.J. Burns, who retires pursuant to the UK Code Provision B.7.1 and who, being eligible, offers himself for re-election as a Director of the Company.
- 5 To re-elect Ms J. Dixon, who retires pursuant to the UK Code Provision B.7.1 and who, being eligible, offers herself for re-election as a Director of the Company.
- 6 To re-elect Mr K.E. Percy, who retires pursuant to the UK Code Provision B.7.1 and who, being eligible, offers himself for re-election as a Director of the Company.
- 7 To re-elect Mr J.J. Tighe as a Director of the Company, who retires pursuant to the UK Code Provision B.7.1 and who, being eligible, offers himself for re-election as a Director of the Company.
- 8 To re-elect Mr M.B.E. White, who retires pursuant to the UK Code Provision B.7.1 and who, being eligible, offers himself for re-election as a Director of the Company.
- 9 To re-appoint Grant Thornton UK LLP as auditor of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company and to authorise the Directors to fix the remuneration of the auditor.
- 10 That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £3,581,390 which represents approximately one third of the Company's issued share capital, as at 11 November 2015, such authority to expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied or extended by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.
- 11 That, subject to the passing of resolution number 10 above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company be and they are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560 of the Act), for cash, including either pursuant to the authority given by resolution number 10 above or by way of a sale of treasury shares (as defined in Section 573 of the Act) as if Section 561(1) of the Act did not apply to any such allotment, provided that this power:
 - (a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

Annual General Meeting

Notice of Annual General Meeting

- (b) shall be limited to the allotment of equity securities up to an aggregate nominal value of £1,074,417 being approximately 10% of the nominal value of the issued share capital of the Company, as at 11 November 2015.

12 That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the “Act”) to make market purchases (within the meaning of section 693(4) of the Act) of fully paid Ordinary shares of 25p each in the capital of the Company (“Ordinary shares”) (either for retention as treasury shares for future reissue, resale, transfer or cancellation), provided that:

- (a) the maximum aggregate number of Ordinary shares hereby authorised to be purchased is 6,442,205 (or such lesser amount as shall be equal to 14.99 per cent of the Company’s issued Ordinary share capital on the date on which this resolution is passed);
- (b) the minimum price (excluding expenses) which may be paid for each Ordinary share is 25p;
- (c) the maximum price (excluding expenses) which may be paid for each Ordinary share shall not be more than the higher of:
 - (i) 5% above the average closing price on the London Stock Exchange of an Ordinary share over the five business days immediately preceding the date of purchase; and
 - (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and
- (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company’s next Annual General Meeting or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

13 That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the

Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the “Act”) to make market purchases (within the meaning of section 693(4) of the Act) of fully paid Subscription shares of 0.01p each in the capital of the Company (“Subscription shares”) for cancellation, provided that:

- (a) the maximum aggregate number of Subscription shares hereby authorised to be purchased is 779,041 (or such lesser amount as shall be equal to 14.99 per cent of the Company’s issued Ordinary share capital on the date on which this resolution is passed);
- (b) the minimum price (excluding expenses) which may be paid for each Subscription share is 0.01p;
- (c) the maximum price (excluding expenses) which may be paid for each Subscription share shall not be more than the higher of:
 - (i) 5% above the average closing price on the London Stock Exchange of a Subscription share over the five business days immediately preceding the date of purchase; and
 - (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and
- (d) unless previously varied, revoked or renewed by the Company in a general meeting, the authority hereby conferred shall expire at the conclusion of the Company’s next Annual General Meeting or on the expiry of 15 months from the passing of this Resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to purchase Subscription shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Subscription shares pursuant to any such contract.

By order of the Board
Maven Capital Partners UK LLP
 Company Secretary

Registered office:
 30 St Mary Axe
 London EC3A 8EP

11 November 2015

Annual General Meeting

Notice of Annual General Meeting

Notes:

- 1 A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy, the member should follow the instructions in the form of proxy accompanying this notice.
- 2 Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under the Companies Act 2006 (a "nominated person") should note that the provisions in this notice concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a nominated person. However, a nominated person may have a right under an agreement between the nominated person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
- 3 A form of proxy is provided with this notice for members. To be effective, the form of proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company's registrars, Computershare Investor Services PLC, not less than 48 hours (excluding non-working days) before the time of the holding of the meeting or any adjournment thereof. Alternatively, a proxy may be appointed online at www.investorcentre.co.uk/eproxy by that time. Completion and submission of the form of proxy will not preclude shareholders from attending and voting at the meeting should they wish to do so.

Legislation is in force which permits shareholders to submit proxy forms electronically.

To submit a proxy form via the internet, an internet-enabled PC with browser software (Internet Explorer or Firefox) and Acrobat Reader software to view PDFs will be required. Shareholders will also need their

shareholder reference number (SRN) and Personal Identification Number (PIN), which can be found on the personalised proxy form which accompanies this report, to access this service.

Before a proxy can be appointed, shareholders will be asked to agree to the terms and conditions for electronic proxy appointment. The use of the electronic proxy appointment service offered through the Company's registrars is entirely voluntary. Shareholders can continue to submit their proxy form by post if they wish.

- 4 In the event of joint holders, where one or more of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of joint holders appear in the Company's register of members in respect of the joint holders (the first named being the most senior).
- 5 The statements of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 3 above do not apply to nominated persons. These rights can only be exercised by members of the Company.
- 6 A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- 7 Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (SI 2001 No 3755), the Company has specified that only those members registered on the register of members of the Company at 6.00 p.m. on 14 December 2015 or, if the meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 8 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual and/or by logging on to www.euroclear.com/CREST.

Annual General Meeting

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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 made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in Note 3 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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.

- 9 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of

those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Rules and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Rules and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

- 10 If you wish to attend the meeting in person, there will be a Members' register for you to sign on arrival.
- 11 Information regarding the AGM, including information required by Section 311A of the Companies Act 2006, is available from www.standardlifeinvestments.com/its.
- 12 Members have the right to ask questions at the meeting in accordance with section 319A of the Companies Act 2006.
- 13 Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
- 14 The members of the Company may require the Company to publish, on its website, without payment a statement which is also passed to the auditor setting out any matter relating to the audit of the Company's accounts, including the auditor's report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state the members full name and address and be sent to the Company Secretary, Maven Capital Partners UK LLP, 1st Floor, Kintyre House, 205 West George Street, Glasgow, G2 2LW.

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- 15 Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of AGM or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.
- 16 As at 11 November 2015 (the latest practicable date before the printing of this document), the Company's total capital consisted of 42,976,691 Ordinary shares of 25p each, all with voting rights.
- 17 No Director has a service agreement with the Company.
- 18 Copies of the letter of appointment of the non-executive directors of the Company will be available for inspection at the registered office of the Company from 11 November 2015 until the conclusion of the AGM and at the meeting venue itself for at least 15 minutes prior to the meeting until the conclusion of the meeting.



Registered Address
30 St Mary Axe
London EC3A 8EP

Managed by
Standard Life Investments
1 George Street
Edinburgh EH2 2LL
Website: www.standardlifeinvestments.com/its