Murray Income Trust PLC

Annual Report
30 June 2015

Aberdeen

Contents

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 (as amended by the Financial Services Act 2012) 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 Murray 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.

Strategic Report – Company Summary, Financial Highlights and Financial Calendar

The Company

The Company is an investment trust company and its Ordinary shares are listed on the premium segment of the London Stock Exchange.

What is an Investment Trust?

An investment trust is a closed end fund which allows its shareholders to make a single investment which gives them access to a much larger portfolio of shares. A type of collective investment, investment trusts allow shareholders to spread their risk and benefit from investment opportunities which shareholders may not be able to identify on their own.

Investment Objective

The achievement of a high and growing income combined with capital growth through investment in a portfolio principally of UK equities.

Company Benchmark

FTSE All-Share Index

Alternative Investment Fund Manager

The Company is managed by Aberdeen Fund Managers Limited ("AFML" or the "Manager").

Investment Manager

The Company's investment assets are managed by Aberdeen Asset Managers Ltd ("AAML" or the "Investment Manager").

Website

Up-to-date information can be found on the Company's website - www.murray-income.co.uk

Pre-investment Disclosure Document

The Alternative Investment Fund Manager Directive ("AIFMD") requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of Murray Income Trust PLC, to make available to investors certain information prior to such investors' investment in the Company.

The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as the UCITS regime.

The Company's Pre-Investment Disclosure Document is available for viewing on the Company's website.

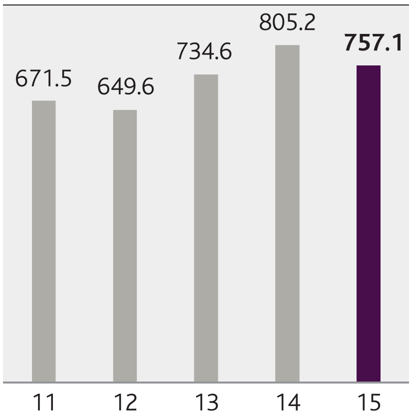
Financial Highlights

	2015	2014
Net asset value per Ordinary share total return	–2.2%	+14.0%
Share price total return	–5.7%	+9.4%
Benchmark total return	+2.6%	+13.1%
Earnings per share (revenue)	33.1p	30.5p
Dividend per share[A]	32.00p	31.25p

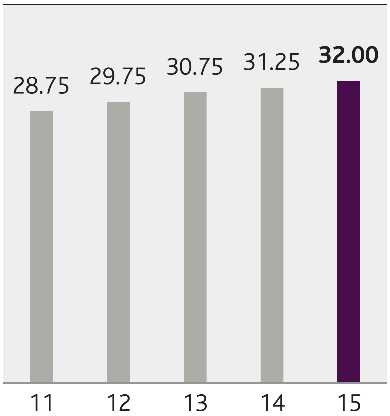
[A] Final dividend of 11.00p per Ordinary share is subject to shareholder approval at the Annual General Meeting.

Strategic Report – Company Summary, Financial Highlights and Financial Calendar continued

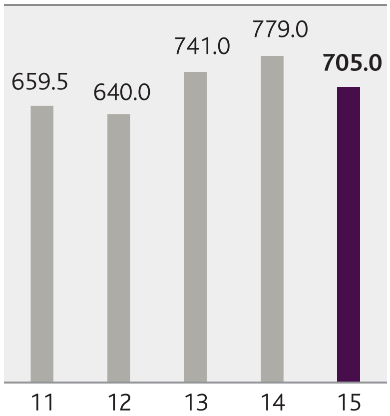
Net Asset Value per share
At 30 June – pence



Dividends per share
pence



Mid-market price per share
At 30 June – pence



Financial Calendar

25 September 2015	Record date of proposed final dividend for year ended 30 June 2015
28 October 2015	Annual General Meeting, Glasgow Royal Concert Hall (12.30pm)
30 October 2015	Payment date of proposed final dividend for year ended 30 June 2015
18 December 2015, 4 March and 3 June 2016	Record dates of interim dividends for year to 30 June 2016
15 January, 1 April and 1 July 2016	Payment dates of interim dividends for year to 30 June 2016
February 2016	Half-Yearly results announcement for 6 months to 31 December 2015
September 2016	Final results announcement for year to 30 June 2016

Strategic Report – Overview of Strategy

Introduction

The purpose of this Strategic Report is to provide shareholders with details of the Company's investment strategy and business model as well as identifying the principal risks and uncertainties faced by the Company.

Investment Strategy

In pursuit of the Company's investment objective, the Company's investment strategy is to invest in the shares of companies that have potential for real earnings and dividend growth, while at the same time providing an above-average portfolio yield. The emphasis is on the management of risk and on the absolute return from the portfolio, which is achieved by ensuring an appropriate diversification of stocks and sectors, with a high proportion of assets in strong, well-known companies. The Company makes use of borrowing facilities to enhance shareholder returns when appropriate.

Investment Policy

The Company maintains a highly-diversified portfolio of investments, typically comprising between 30 and 70 holdings (but without restricting the Company from holding a more or less concentrated portfolio from time to time). The Company is unconstrained as to the market sectors in which it may invest.

The Company may invest up to 100% of its gross assets in UK-listed equities and other securities and is permitted to invest up to 20% of its gross assets in other overseas listed equities and securities. The Company invests primarily in the equity securities of large, well-known UK and overseas companies with an emphasis on investing in quality companies with good management, strong cash flow and a sound balance sheet, and which are generating a reliable earnings stream.

The Company may use derivatives for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with the Company's broader investment policy. The Company complies with the investment policy test in Section 1158 of the Corporation Tax Act 2010.

It is the Company's policy to invest no more than 15 per cent of its gross assets in other listed investment companies (including investment trusts).

Business Model

The Board is responsible for determining the investment objective and investment policy of the Company while day-to-day management of the Company has been delegated to Aberdeen Fund Managers Limited ("AFML" or "the Manager"). AFML has appointed Aberdeen Asset Managers Limited (the "Investment Manager") to manage the Company's assets. The Investment Manager invests in a diversified range of UK and overseas companies, following a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value, concentrating on quality first, then price. Top-down investment factors are secondary in the Investment Manager's portfolio construction, with diversification rather than formal controls guiding stock and sector weights. The Investment Manager is authorised to invest up to 15% of the Company's gross assets in any single stock. Currently, the top five holdings may not exceed 40% of the total value of the portfolio, and the top three sectors represented in the portfolio may not exceed 50%. The Investment Manager is permitted to invest in options and in structured products, provided that any structured product issued in the form of a note or bond has a minimum credit rating of "A".

The Board is responsible for setting the gearing policy of the Company and for the limits on gearing. The Manager is responsible for gearing within the limits set by the Board. The Board has set its gearing limit at a maximum of 25% of Net Asset Value (see page 63 for definition) at the time of draw down. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate. Particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy. Significant changes to gearing levels will be communicated to shareholders.

Principal Risks and Uncertainties

The Board regularly reviews the principal risks and uncertainties which it has identified together with the delegated controls it has established to manage the risks and address the uncertainties:

(i) **Investment strategy risk**

The Company's investment strategy requires investment in equity stockmarkets, which may lead to loss of capital. Separately, the choice of asset allocation or level of gearing, as part of the investment strategy adopted by the Company, may result in underperformance against either the Company's benchmark index and/or its peer group, leading to a widening of the discount (see page 63 for definition) at which the Company's shares trade.

The Board seeks to manage these risks by diversifying its investments, as set out in the investment restrictions and guidelines agreed with the Manager, and on which the Company receives regular monitoring reports from the Manager. At each Board meeting, the Directors review the investment process with the Manager by assessing relevant management information including revenue forecasts, absolute/relative performance data, attribution analysis and liquidity/risk reports. The Board holds a separate, annual meeting devoted to investment strategy, the most recent being in February 2015.

(ii) **Income and dividend risk**
There is a risk that the Company fails to generate sufficient income from its investment portfolio, particularly in periods of weak equity markets, to meet its operational expenses which results in it drawing upon, rather than replenishing, its revenue reserves. This might hamper the Board's capacity to maintain dividends to shareholders. The Board monitors this risk through the review of income forecasts, provided by the Manager, at each Board meeting.

(iii) **Discount volatility**
Investment trust shares tend to trade at discounts to their underlying net asset values, although they can also trade at premia (see page 63 for definitions). Discounts and premia can fluctuate considerably. In order to seek to minimise the impact of such fluctuations, where the shares are trading at a significant discount, the Company has operated a share buy-back programme for a number of years. If the shares trade at a premium, the Company has the authority to issue new shares or sell shares from treasury. Whilst these measures seek to minimise volatility, it cannot be guaranteed that they will do so.

(iv) **Foreign currency risk**
A proportion of the Company's investment portfolio is invested in overseas securities and the value of the Company's investments and the income derived from them can, therefore, be affected by movements in foreign exchange rates. In addition, the earnings of the Company's other investments may also be affected by currency movements which, indirectly, could have an impact on the Company's performance. The Company does not currently hedge its foreign currency exposure.

(v) **Operational risk**
In common with most other investment trusts, the Company has no employees. The Company therefore relies on services provided by third parties, including the Manager in particular, to whom responsibility for the management of the Company has been delegated under a management agreement (the "Agreement") (further details of which are set out on pages 23 and 24). The terms of the Agreement cover the necessary duties and responsibilities expected of the Manager. The Board reviews the overall performance of the Manager on a regular basis and their compliance with the Agreement formally on an annual basis.

Contracts with other third party providers, including share registrar and depositary services, are entered into after appropriate due diligence. Thereafter, each contract, and the performance of the provider, is subject to formal annual review. The security of the Company's assets was the responsibility of the custodian, JPMorgan Chase until 15 July 2014, and thereafter, the responsibility of BNP Paribas Securities Services, London Branch, as depositary. The effectiveness of the internal controls at both the custodian and depositary is subject to review and regular reporting to the Audit Committee.

(vi) **Regulatory risk**
The Company operates in a complex regulatory environment and faces a number of related risks. A breach of Section 1158 of the Corporation Tax Act 2010 could result in the Company being subject to capital gains tax on the sale of its investments. Serious breach of other regulations, such as the UKLA Listing Rules, the Companies Act, Accounting Standards or EU Alternative Investment Fund Managers Directive, could lead to suspension from the London Stock Exchange and reputational damage. The Board receives compliance reports from the Manager to monitor compliance with regulations.

An explanation of other risks relating to the Company's investment activities, specifically market price, interest rate, liquidity and credit risk, and a note of how these risks are managed, are contained in note 17 to the Financial Statements.

Performance and Outlook

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The Board also considers the Investment Manager's promotional strategy for the Company, including effective communications with shareholders, which is explained in more detail on page 60. The future strategic direction and development of the Company is regularly discussed as part of Board meeting agendas.

A review of the Company's activities and performance during the year ended 30 June 2015, including future developments, is detailed in the Chairman's Statement and the Investment Manager's Report. This covers market background, investment activity, portfolio strategy, dividend and gearing policy and investment outlook. A comprehensive analysis of the portfolio is provided on pages 14 to 17 while the full portfolio of investments is published quarterly on the Company's website.

Key Performance Indicators ("KPIs")

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. Below are the main KPIs which have been identified by the Board for determining the progress of the Company:

- Net asset value (total return) relative to the Company's benchmark;
- Share price (total return);
- Discount/premium to net asset value;
- Performance attribution;
- Earnings and dividends per share; and
- Ongoing charges.

A record of these measures is disclosed on pages 9 and 12.

Environmental, Social and Human Rights Issues

The Company has no employees, as Aberdeen Fund Managers Limited has been appointed Manager, and there are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined on page 29.

Board Diversity

The Board recognises the importance of having a range of skilled and experienced individuals with the right knowledge in order to allow the Board to fulfill its obligations. At 30 June 2015, there were four male Directors and one female Director.

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' Reports) Regulations 2013.

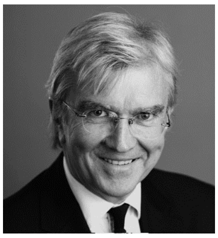
Duration

The Company does not have a fixed life.

N A Honebon
Chairman

10 September 2015

Strategic Report - Chairman's Statement



Neil Honebon
Chairman

Highlights

- **Net Asset Value Total Return -2.2%**
- **Share Price Total Return -5.7%**
- **Total Dividends per share increased by 2.4% to 32p**

This is the first annual report since I succeeded Patrick Gifford as Chairman at the 2014 AGM.

Performance

After several years of good gains in real terms for equity markets, they stalled somewhat in the year under review: the FTSE All-Share Index rose only 2.6% on a total return basis. The performance of the Company was disappointing, with comparable net asset value per share falling 2.2%.

While in Europe the protracted struggle to achieve any significant real economic growth was punctuated by episodes of heightened concern over the events in Greece, this was of minor global economic impact compared to the deceleration of China and other emerging economies, to the dramatic falls in oil and commodity prices associated with this slowdown and with US energy self-sufficiency as domestic shale oil came on stream. Governments continued to run very easy monetary policies while attempting fiscal austerity, not always with much success.

Company profits generally did well from the first part of the economic recovery following the financial crisis, but more recently have failed to make any progress in the UK in aggregate. Nonetheless, dividend payments have continued to show modest growth, with the result that the overall payout ratio in the UK is now over 60%. This is historically high and its potentially constraining impact on capital spending by companies is attracting the attention of policymakers such as Andrew Haldane, Chief Economist at the Bank of England. Moreover, current areas of particular strain include energy and other basic material companies, which collectively generate 22% of UK dividends.

Against this background, prices of large cap, high yield shares underperformed the overall UK stockmarket, and investment companies - such as Murray Income - which focus on high yield, became less sought-after as evidenced by wider discounts of share prices to underlying net asset values.

Scottish Referendum

Shareholders will no doubt recall the Referendum in September 2014. At the time of the interim results in February we commented that the "No" vote had removed the main immediate risks, particularly those relating to currency and taxation. Draft legislation devolving additional powers to Scotland is underway in the UK Parliament. The Board continues to monitor relevant political developments closely.

Dividend

The Board is recommending a final dividend of 11.00p, which makes a total for the year of 32.00p, an increase of 2.4%. If approved, this will continue the over forty year record of consecutive dividend increases.

At the start of the financial year under review, conservative forecasts of net income for the Company suggested that the previous year's dividend level would not be covered. In the event, income receipts improved such that the proposed increase will have been marginally exceeded by net income. It should be noted that some of the income receipts were exceptional – we had several special dividends from companies we hold; we received a refund of French withholding tax paid in earlier years; several dividends in overseas currencies translated to Sterling at more favourable rates than those prevailing at the start of the year. Clearly it would not be prudent to anticipate exceptional items. However, next year we currently expect the level of underlying dividends from the portfolio to be broadly similar to this year, and shareholders may take comfort from knowing that we have revenue reserves equivalent to approximately 95% of one year's dividend supporting us.

Share Capital

The discount of the Company's share price to the net asset value per share widened to 6.9% from 3.2% during the year, but had narrowed to 2.2% at the time of writing. The Board continues to monitor the level of discount and will consider selective buybacks of shares where to do so would be in the interest of shareholders.

Annual General Meeting

The Annual General Meeting will be held at 12.30 pm on Wednesday 28 October 2015 in the Strathclyde Suite, Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow, G2 3NY. The Notice of Annual General Meeting is on pages 65 to 68. It is the Board's intention to hold the 2016 Annual General Meeting in London.

AIFMD

The Alternative Investment Fund Managers Directive (the "Directive"), introduced by the EU to enhance shareholder protection, was fully implemented in the UK on 22 July 2014. This Directive required the Company to appoint an authorised Alternative Investment Fund Manager ("AIFM") and a depositary, the latter overlaying the pre-existing custody arrangements. In July 2014, Aberdeen Fund Managers Limited ("AFML"), was appointed AIFM while BNP Paribas Securities Services, London Branch, was appointed depositary.

Outlook

Slow recovery in economic activity in the developed economies of the US and UK now seems to have arrived in parts of Europe, but it is hard to see any immediate improvements in China and other emerging areas. Indeed, things may get worse before they get better. This seems likely to provide episodes of instability and heightened risk through political upheaval and disturbance in international markets such as currencies. Almost by definition we must also now be closer to the moment when interest rates in the West rise from current near zero levels, with some of the quantitative easing which pushed up asset prices already withdrawn. Much-discussed and much-postponed, when rates do eventually rise, it will hardly come as a surprise, but overall levels of borrowing remain high and some casualties should be expected.

The good news is that lower oil and commodity prices generally are feeding through to lower inflation and boosting real incomes for consumers, whose wages are now also beginning to rise. Perhaps we will also see at last some gains in Western productivity, the absence of which has been such a puzzle for economists.

In such an environment it seems right to continue to construct a portfolio of companies with strong franchises and balance sheets, with visible (and repeatable) profit prospects and to avoid high valuations. Because pay-out ratios are high, the penalty for misjudgement in selection is perhaps even more likely to manifest itself in passed or cut dividends in portfolio companies. However, as some of the recent additions to the portfolio show, there is still scope to identify companies which can do well even in these difficult conditions.

N A Honebon
Chairman

10 September 2015

Strategic Report – Investment Manager's Report

Background

The UK equity market finished the year to the end of June 2015 marginally higher but unable to repeat the strong performance of the prior two years. The FTSE All-Share Index increased by 2.6% on a total return basis (that is with dividends reinvested) with the limited progress framed by periods of substantial volatility. This volatility was caused by concerns over the prospects for earnings growth that in turn were a function of a variety of different factors including; economic weakness in the Eurozone and emerging markets; the end to quantitative easing ("QE") in the United States; geopolitical and domestic political risk; the effects of the strength of sterling; and the weakness of oil and commodity prices on the resource companies. Investor confidence improved a little during the second half of the year, despite growing concerns over Greece's debt position, as the European Central Bank began its QE programme and the Conservative Party won an unlikely majority in the general election.

A sharp fall in the price of oil provided the accompaniment to developments throughout the financial year. Brent crude, having traded at $112 per barrel at the start of the period, dropped precipitously throughout the first half of the financial year to end the calendar year at less than half this level. Having staged a partial recovery over the Spring, the oil price has subsequently fallen back to its lows. This weakness has been caused by OPEC's desire, led by Saudi Arabia, to maintain market share as demand has weakened and non-OPEC supply (particularly from US shale assets and Russia) has increased.

In the United Kingdom, domestic economic data bore evidence of the continued recovery in the economy. UK GDP increased by 2.6% over the Company's financial year and is now estimated to be 5.2% higher than the pre-economic downturn peak in 2008 (although only broadly equal on a per capita basis). The recovery has been led by services with the strength of sterling affecting the manufacturing sector's export competitiveness. Inflation has been tame and remained below the government's target level of 2% for the whole period (it turned negative for the first time in 50 years during April). Conditions allowed the Monetary Policy Committee to leave interest rates unchanged throughout the year although towards the end of the period initial signs that domestic cost growth was recovering had started to make this decision more difficult despite the appreciation of sterling pushing down on inflation. Although partly dependent on the trajectory of demand growth overseas, expectations for UK GDP growth in calendar 2016 remain robust with the Bank of England forecasting 2.6% growth.

Globally, the composition of growth has gently pivoted from emerging to advanced economies. In the United States the path of recovery was interrupted by a weak first quarter of 2015, mostly due to temporary factors. More recent data has suggested that growth has subsequently recovered, aided by stronger consumer spending which suggests that the Federal Reserve, having announced the end of its asset purchase programme last October, is likely to start to raise interest rates towards the end of this year. In the Eurozone, on the one hand, the real economy has demonstrated signs of improvement helped by falling energy prices, the weakness of the euro (caused in part by QE) and more beneficial credit market conditions. Conversely, questions over the integrity of the euro resurfaced with Greece's difficult negotiations over its debt position. It appears that Greece is likely to receive a third bailout that should help to restore stability for the short term at least. Growth in China has slowed leading the authorities to ease monetary policy. In India, the economy has performed relatively strongly helped by manufacturing and services. The remaining two "BRIC" countries have not fared well with Brazil suffering from lower commodity prices, high inflation and elevated consumer debt while Russia's economy has been pressured by sanctions and the lower oil price. However, it should be remembered that growth rates in emerging markets are still stronger than the developed world and many developing economies have appealing long term characteristics.

Performance

The Company generated a negative net asset value per share total return of 2.2% in the year ended 30 June 2015, compared to a rise in the FTSE All-Share Index of 2.6%. The underperformance of 4.8% was disappointing following five consecutive years of positive relative performance. On a total return basis, the Company's share price fell by 5.7%, which reflected a widening of the discount to Net Asset Value at which the shares traded compared to the previous year end. This has been a challenging year on both an absolute and relative basis. The Company's focus on large, well-known companies with above average yields coupled with the aim of providing a diversified portfolio has not positioned it well given the significant underperformance of large and higher yielding companies in the market over the past year. This combined with the stock specific issues below and the adverse currency translation impact of the overseas holdings has negatively impacted returns.

On a gross assets basis, the equity portfolio underperformed the benchmark by 3.6%. Gearing reduced returns by 0.2%. The translation impact of our overseas holdings, given the strength of sterling, reduced performance by 0.9%. The level of gearing was increased by £10m to £55m during the market fall in October with the actual level of gearing maintained in a relatively narrow range between 5%-8% during the year.

Over the year, the poorest performing areas of the market were those exposed to commodity prices. The oil & gas and mining sectors both fell over 20% during the period. Second order effects also caused earnings weakness in a number of sectors that supply into these industries as the oil and mining companies cut their capital expenditure budgets in response to falling commodity prices. For the listed supermarket companies, trading has continued to be very tough given intense competition and changing customer behaviour. Conversely, areas of the market that performed well included the real estate, house-building, telecoms and technology sectors.

From a size perspective, the FTSE 100 Index again significantly lagged both the Mid 250 and Small Cap indices, a function of its higher commodity and lower domestic exposures as those companies focused on the UK economy performed more strongly. Indeed, there was an almost 15% difference in performance between the FTSE 100 and Mid 250 Indices over the period. Reflecting steady risk appetite, the level of initial public offerings has remained high. Similarly, corporate activity has also remained relatively strong with companies keen to take advantage of cheap financing and tax differentials.

Looking specifically at the Company's portfolio, both stock selection and asset allocation were negative. The returns from the holdings in the industrials and consumer services sectors comprised the main areas of underperformance. Within industrials, the overweight exposure to the aerospace and defence sector and poor stock selection within this sector coupled with an underweight position in support services led to underperformance. In consumer services, the holdings in the food retail sector hurt performance. Poor stock selection in the utilities and banks sectors also impacted performance. By contrast, the underweight positions in both oil & gas producers and mining, and the overweight position in software & computer services benefited performance.

Turning to the individual holdings, there were a number of disappointing returns that detracted from performance. BHP Billiton underperformed given its exposure to both declining oil and commodity (particularly iron ore) prices. The company has taken action to mitigate the lower income by reducing its cost base and cutting capital expenditure. Oil major ENI also performed poorly due to weaker oil prices with the company deciding to reduce its dividend following a strategic review of operations. Utility companies Centrica and GDF Suez also performed poorly due to strategic and competitive issues coupled with lower income from their oil and gas assets. Finally, supermarket holdings Tesco and Casino underperformed as both companies suffered from competitive pressures and Casino was particularly affected by a slowdown in emerging markets.

Performance Attribution for the year ended 30 June 2015

	2015 %
Net Asset Value total return for year per Ordinary share	–2.2
FTSE All Share Index total return	2.6
Relative return	**–4.8**

Relative return	**%**
Stock selection (equities)	
Oil & Gas	0.0
Basic Materials	–0.5
Industrials	–1.1
Consumer Goods	0.3
Health Care	–0.1
Consumer Services	–1.1
Telecommunications	–0.1
Utilities	–0.8
Technology	–0.1
Financials	–0.1
Total stock selection (equities)	**–3.6**
Asset allocation (equities)	
Oil & Gas	0.8
Basic Materials	0.6
Industrials	–0.8
Consumer Goods	–0.8
Health Care	–0.3
Consumer Services	–0.8
Telecommunications	0.1
Utilities	–0.1
Technology	0.7
Financials	0.1
Total asset allocation (equities)	**–0.5**
Cash and options	0.4
Gearing	–0.2
Administrative expenses	–0.2
Management fees	–0.6
Tax charge	–0.1
Total	**–4.8**

Sources : Aberdeen Asset Management, Mellon & Lipper

Notes: Stock Selection – measures the effect of equity selection relative to the benchmark. Asset Allocation – measures the impact of over or underweighting each industry basket in the equity portfolio, relative to the benchmark weights. Gearing effect – measures the impact on relative returns of net borrowings. Management fees & other expenses – these reduce total assets and therefore reduce performance. The effect is calculated by dividing expenses incurred during the year by average total assets less current liabilities.

More positively, there were a number of holdings that significantly outperformed. These included Sage where the market welcomed increasing organic revenue growth and improved margins. Close Brothers performed strongly given benign conditions in its lending operations and a gradual turnaround in its asset management division. The strong returns from smaller companies were reflected in the performance of Aberforth Smaller Companies Investment Trust. The small holding in BG benefited from an agreed takeover approach from Royal Dutch Shell. Finally, Provident Financial also performed strongly as its competitors suffered under tighter regulatory scrutiny and it introduced new products that should provide attractive growth opportunities.

Portfolio Activity and Structure

In keeping with our patient, buy and hold approach, turnover was characteristically modest during the period. However, we introduced two new companies and a third company, South32 which was spun out from BHP Billiton in May was sold just before the period end. The holding in the Royal Dutch Shell A shares was sold and the B shares were purchased as this is more tax efficient from a dividend perspective.

The first new holding added during the period was Schroders. The fund management company benefits from a number of attractive attributes including a well-known brand, a broad and diversified fund offering, good distribution and a net cash balance sheet. The second company introduced was Elementis, a chemicals company. The business has two divisions: firstly, a chromium division which is the dominant player in the United States supplying, for example, chromic acid and chrome sulphate and secondly, a specialty chemicals division which serves end-markets in the personal care, decorative, industrial and oil industries. Elementis has a net cash balance sheet which has previously been used to pay a small special dividend in addition to the regular dividend.

We increased exposure to a number of holdings including Ultra Electronics, given the potential growth opportunities from its niche defence programmes and civil aerospace projects, and Nordea, where we believe the dividend has scope for significant growth. Furthermore we increased the holding in Microsoft following a relatively weak trading statement on the basis that the shares had been oversold and a positive meeting with the CEO of Vodafone led us to increase our exposure to that company.

In contrast, we reduced our exposure to Tesco and ENI given concerns over the outlook for both companies – a challenging competitive environment and lower oil prices, respectively. A number of call options were assigned in companies that had performed strongly including Roche, Sage, Associated British Foods, National Grid, Compass and Land Securities leading to a reduction in our exposure to these names.

We continued to write options gently to increase and diversify the income available to the Company. The income from writing options remained steady in percentage terms accounting for 5.8% of total income compared to 5.7% of total income during the prior year. We continue to feel that the option writing strategy has been of benefit to the Company by increasing the level of income generated and providing a good discipline for optimising our exposure to individual holdings.

Our aspiration in terms of portfolio construction has not changed. Our aim is to build a sensibly diversified portfolio that is not dependent on any one particular economic scenario but provides broad exposure to the market as a whole while generating an above average dividend yield. The portfolio currently comprises 47 holdings with the overseas exposure representing 16.5% of gross assets at the year-end (compared to 18.3% at the end of the prior period).

Given the relatively low turnover over the period, changes to the sector positioning of the Company compared to the prior year have been modest. However, the weighting in the oil & gas sector has reduced given the underperformance of the sector as a whole and a partial sale of the holding in ENI. Conversely, the exposure to the financials sector, which is broad in its scope, has increased given the introduction of Schroders and strong performances from a number of holdings in the sector.

Income

For the financial year ended 30 June 2015, the Company witnessed an increase in the level of income generated overall leading to an increase in the revenue return per share of 8.5% to 33.1p. Income from investments increased by 6.0% aided by the recognition of five special dividends (from Compass, Hiscox, Svenska Handelsbanken, Elementis and Schneider Electric) as revenue items. We believe that this recognition is appropriate given that the return of cash was from a build-up of profits generated by ongoing operations rather than a sale of assets. In addition, the Company benefited from a one-off reclaim of French withholding tax amounting to £512,000 which improved the revenue account. The income derived from writing options increased marginally compared to the previous year. Revenue reserves now stand at £28.3m (before payment of the final dividend).

Although the relative weakness in sterling compared to the US dollar (for which around a quarter of the dividend income is denominated) has been helpful over the year, the underlying picture for dividend growth remains difficult. Given the strong dividend culture of the UK equity market, companies, particularly in the resources space, have continued to increase or maintain their dividends at a time where earnings expectations have reduced or stayed flat which has led to a reduction in dividend cover. Unless we witness a recovery in earnings growth the outlook for income generation is likely to remain more challenging.

Outlook

As we suggested in last year's Annual Report, the UK equity market has struggled to deliver the generous levels of returns that it generated in the two prior years. Given the strength of the recovery in share prices, aided by the policies of central banks, and the lack of aggregate earnings growth, it is still very difficult to argue that valuations in absolute terms look attractive. Furthermore, the prospect of rising interest rates in the United States may well present further challenges for equities. We remain watchful of slowing growth in emerging markets and China in particular. The Conservative majority at the general election has removed concerns over a number of potentially less business-friendly policies although the market will, at some point, need to consider the prospects for a referendum on the United Kingdom's membership of the European Union.

Although the short term outlook for equity returns is likely to stay difficult, we remain sanguine about the medium to long term opportunities for the companies in the portfolio. We believe that globally competitive businesses with strong balance sheets will prosper over the long term and ultimately offer the best earnings and dividend growth prospects.

Charles Luke
Aberdeen Asset Managers Limited
Investment Manager

10 September 2015

Strategic Report - Results

Financial Highlights

	30 June 2015	30 June 2014	% change
Total assets (£'000) (see definition on page 63)	570,888	592,652	–3.7
Equity shareholders' funds (£'000)	515,888	547,652	–5.8
Net asset value per Ordinary share	757.1p	805.2p	–6.0
Market capitalisation (£'000)	480,404	529,856	–9.3
Share price of Ordinary share (mid-market)	705.0p	779.0p	–9.5
Discount to net asset value on Ordinary shares	(6.9%)	(3.2%)	
Gearing (ratio of borrowing to shareholders' funds)			
Net gearing (see definition on page 63)[A]	7.2%	5.9%	
Dividends and earnings			
Revenue return per share	33.1p	30.5p	+8.5
Dividends per share[B]	32.00p	31.25p	+2.4
Dividend cover	1.03 times	0.98 times	
Revenue reserves (£'000)[C]	28,340	27,008	
Operating costs			
Ongoing charges ratio[D]	0.74%	0.73%	

[A] Calculated in accordance with AIC guidance "Gearing Disclosures post RDR".

[B] The figures for dividends per share reflect the years in which they were earned (see note 6 on pages 47 and 48).

[C] The revenue reserve figure does not take account of the proposed third interim and final dividends amounting to £4,770,000 and £7,496,000 respectively (2014 – third interim and final dividends amounting to £4,761,000 and £6,972,000 respectively).

[D] Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses divided by the average cum income net asset value throughout the year.

Performance (total return)

	1 year return %	3 year return %	5 year return %
Share price	–5.7	+25.3	+64.9
Net asset value per Ordinary share	–2.2	+32.5	+72.1

Source: Aberdeen Asset Managers/Morningstar

Dividends

	Rate	xd date	Record date	Payment date
1st interim 2015	7.00p	18 December 2014	19 December 2014	16 January 2015
2nd interim 2015	7.00p	5 March 2015	6 March 2015	2 April 2015
3rd interim 2015	7.00p	4 June 2015	5 June 2015	3 July 2015
Proposed final 2015	11.00p	24 September 2015	25 September 2015	30 October 2015
Total dividends 2015	**32.00p**			

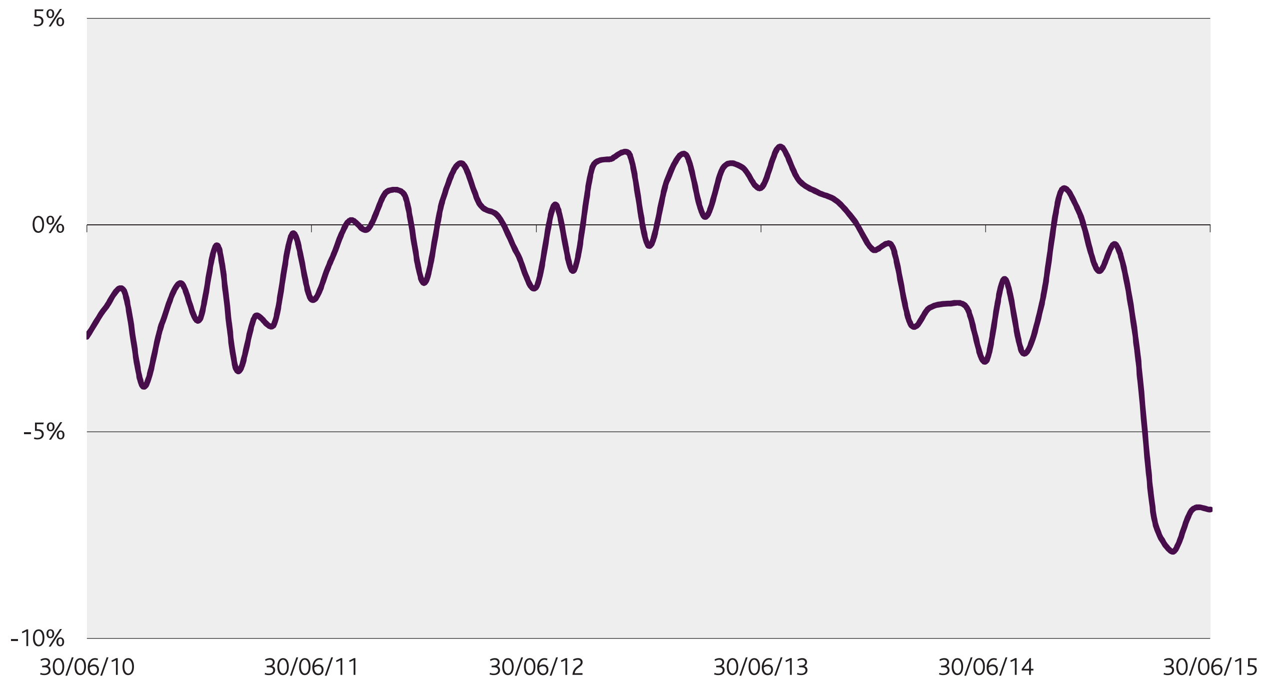
Ten Year Financial Record

Year end 30 June	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue (£'000)	17,237	19,251	22,390	19,790	18,257	21,844	22,688	23,566	23,926	25,476
Per Ordinary share (p)										
Net revenue return	21.8	24.7	29.3	28.1	25.4	30.9	30.6	31.1	30.5	33.1
Dividends	21.60	24.25	27.00	27.75	28.00	28.75	29.75	30.75	31.25	32.00
Net asset value	699.7	802.3	619.9	455.4	547.9	671.5	649.6	734.6	805.2	757.1
Shareholders' funds (£'000)	456,714	522,617	400,536	294,570	354,425	434,406	425,458	492,878	547,652	515,888

The figures for dividends reflect the dividends for the years in which they were earned.

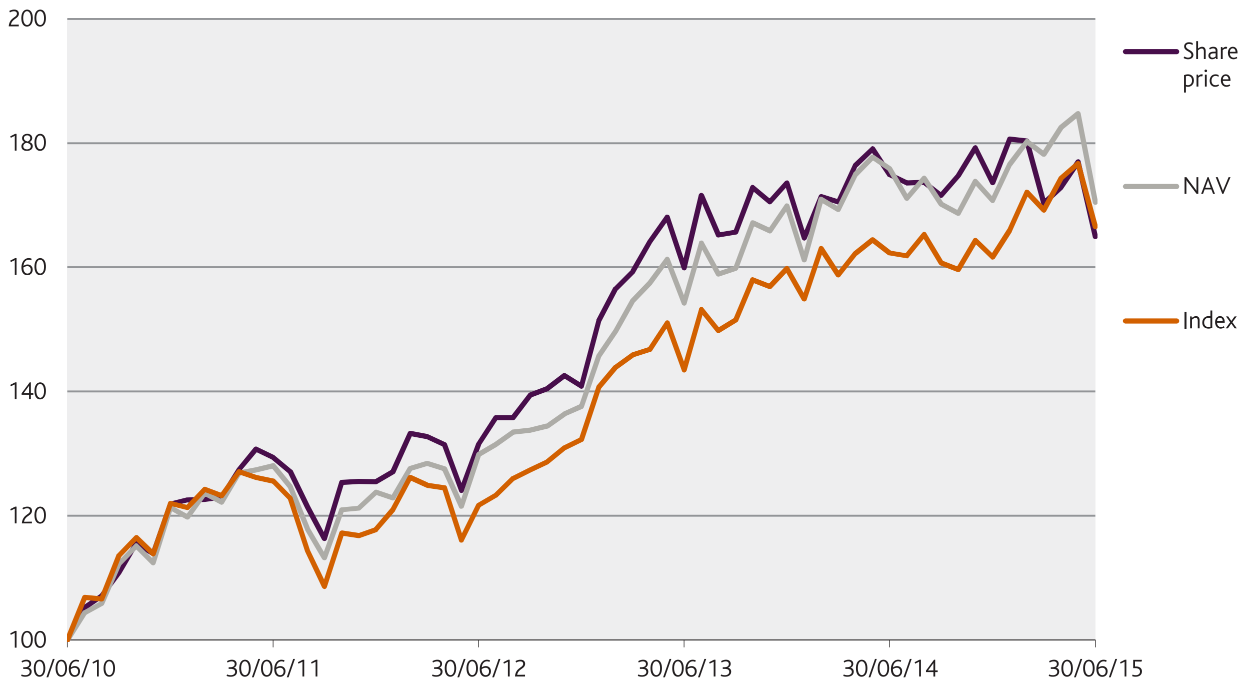
Please note that past performance is not a guide to future performance.

Share Price Premium/(Discount) to NAV (capital only)
Five years ended 30 June 2015



Source: Morningstar

Total Return of NAV and Share Price vs FTSE All-Share Index
Five years ended 30 June 2015 (rebased to 100 at 30 June 2010)



Source: Morningstar & Lipper

Investment Portfolio – Twenty Largest Investments

As at 30 June 2015

Investment	Valuation 2015 £'000	Total assets %	Valuation 2014 £'000
1 (3) Unilever			
Unilever is a global consumer goods company supplying food, home and personal care products. The company has a portfolio of strong brands including: Dove, Knorr, Axe and Persil. Over half of the company's sales are to developing and emerging markets.	25,444	4.5	24,707
2 (4) British American Tobacco			
British American Tobacco manufactures and markets cigarettes and other tobacco products, including cigars and roll-your-own tobacco. The group sells over 200 brands in approximately 180 countries. Key brands include: Dunhill, Kent, Pall Mall and Lucky Strike. Strong cashflow is an attractive characteristic of the tobacco industry.	24,076	4.2	24,520
3 (5) AstraZeneca			
AstraZeneca researches, develops, produces and markets pharmaceutical products. The company's operations are focused on six therapeutic areas: Cardiovascular, Oncology, Respiratory, Neuroscience, Inflammation and Infection. The company's product pipeline offers a number of interesting opportunities.	22,546	3.9	24,350
4 (2) GlaxoSmithKline			
GlaxoSmithKline is a research-based pharmaceutical group that also develops, manufactures and markets vaccines, prescription and over-the-counter medicines, as well as health-related consumer products. The group specialises in treatments for respiratory, central nervous system, gastro-intestinal and genetic disorders.	22,350	3.8	26,432
5 (10) Pearson			
Pearson is one of the world's leading education companies. From pre-school to professional certification, the company's curriculum materials, multimedia learning tools and testing programmes help to educate more than 100m people worldwide. The company offers access to long-term structural growth.	19,738	3.5	18,337
6 (11) Prudential			
Prudential is an insurance company with substantial operations in the UK, USA and across Asia. Early mover advantage in Asia has provided the company with a number of market leading positions giving the opportunity to capitalise on a fast growing market.	19,693	3.4	17,232
7 (8) Roche Holdings			
Listed in Switzerland, Roche develops and manufactures pharmaceutical and diagnostic products with particular strengths in the areas of oncology, cardiovascular and respiratory diseases. The company benefits from a strong product pipeline and limited near-term patent exposure.	19,198	3.4	20,584
8 (9) HSBC Holdings			
HSBC group is one of the world's largest banking and financial services institutions. Its international network comprises more than 5,000 offices in 80 countries worldwide. The diversity of HSBC's business and exposure to faster growing regions of the world should enable it to deliver superior long-term growth.	19,108	3.3	19,416
9 (7) Centrica			
Centrica provides gas, electricity and energy-related products and services to business and residential customers in the UK and USA. It also provides central heating and gas appliance installation and maintenance services. The company enjoys a strong competitive position in the UK market, which provides a solid platform from which to generate long-term value.	18,934	3.3	21,726
10 (1) Royal Dutch Shell			
Royal Dutch Shell is engaged in all phases of the petroleum industry, from exploration to processing and distribution. It has strong positions in oil products marketing and LNG, globally. The group operates in over 130 countries.	18,797	3.3	26,777
Top ten investments	**209,884**	**36.6**	

Investment	Valuation 2015 £'000	Total assets %	Valuation 2014 £'000
11 (6) BHP Billiton			
BHP Billiton is the world's largest diversified resources group with a global portfolio of high quality assets. Core activities comprise the production and distribution of minerals, mineral products and petroleum.	17,736	3.1	23,694
12 (15) Aberforth Smaller Companies			
Aberforth Smaller Companies is an investment trust with a diversified portfolio of small UK quoted companies. The trust has an above average sector yield and benefits from substantial revenue reserves.	17,031	3.0	14,958
13 (-) Nordea Bank			
Nordea is a Scandinavian financial services group. The company is active within corporate and institutional banking as well as retail and private banking, with a broad offering of life and pension products. Nordea is the largest financial services company in the Nordic and Baltic region holding a broad range of leading positions.	15,602	2.7	11,648
14 (-) Vodafone			
Vodafone is an international mobile telecommunications company providing mobile voice, data and fixed line communications. The group has around 450m customers and operates in more than 30 countries worldwide including an extensive emerging markets portfolio.	14,487	2.5	11,120
15 (20) Sage Group			
Sage Group is a software publishing business which develops, publishes and distributes accounting and payroll software. It also maintains a registered user database which provides a market for their related products and services, including computer forms, software support contracts, program upgrades and training.	13,443	2.4	12,522
16 (19) Close Brothers			
Close Brothers is a specialist financial services group which makes loans, trades securities and provides advice and investment management solutions to a wide range of clients.	13,339	2.3	12,524
17 (16) Compass Group			
Compass is a leading contract catering and food service company. The company benefits from underlying growth in outsourcing, together with the potential for further margin improvement and growth from its emerging markets operations. The company demonstrates strong cashflow characteristics.	12,965	2.3	14,828
18 (14) BP			
BP is one of the world's largest petroleum and petrochemicals groups. Its main activities are: exploration and production of crude oil and natural gas; refining, marketing, supply and transportation of petroleum products.	12,917	2.3	15,831
19 (-) Imperial Tobacco			
Imperial Tobacco is an international tobacco company that manufactures and markets a range of cigarettes, tobacco, rolling papers and cigars. The company's recent transaction to acquire certain assets of Lorillard and Reynolds in the United States provides an additional avenue for growth over the long term.	12,728	2.2	10,915
20 (17) National Grid			
National Grid owns and operates electricity and gas networks throughout the UK and in the US. It will benefit from the requirement to increase energy infrastructure spend over the long term. The company offers a generous dividend yield.	12,642	2.2	14,641
Top twenty investments	**352,774**	**61.6**	

The value of the 20 largest investments represents 61.6% (2014 – 63.8%) of total assets.

The figures in brackets denote the position at the previous year end. (-) not previously in 20 largest investments.

Investment Portfolio – By Sector

As at 30 June 2015

Investment	Valuation £'000	Total assets %	Yield %
Oil & Gas			
Oil & Gas Producers	**42,436**	**7.5**	
Royal Dutch Shell	18,797	3.3	6.6
BP	12,917	2.3	6.1
ENI	4,895	0.9	7.0
BG Group	5,827	1.0	1.7
Oil Equipment Services	**7,019**	**1.2**	
John Wood Group	7,019	1.2	2.8
Basic Materials			
Mining	**17,736**	**3.1**	
BHP Billiton	17,736	3.1	6.3
Chemicals	**13,055**	**2.3**	
Elementis	7,500	1.3	3.8
Linde	5,555	1.0	1.9
Industrials			
Aerospace & Defence	**27,714**	**4.8**	
Cobham	12,258	2.1	4.1
Rolls-Royce	8,000	1.4	–
Ultra Electronics	7,456	1.3	2.5
Industrial Engineering	**4,310**	**0.8**	
Weir Group	4,310	0.8	2.6
Industrial Transportation	**4,839**	**0.8**	
BBA	4,839	0.8	3.4
Electronic & Electrical Equipment	**7,766**	**1.4**	
Schneider Electric	7,766	1.4	3.1
Consumer Goods			
Automobiles & Parts	**7,595**	**1.3**	
GKN	7,595	1.3	2.5
Food Producers	**39,970**	**7.0**	
Unilever	25,444	4.5	3.2
Associated British Foods	7,637	1.3	1.2
Nestlé	6,889	1.2	3.3
Tobacco	**36,804**	**6.4**	
British American Tobacco	24,076	4.2	4.3
Imperial Tobacco	12,728	2.2	3.6
Health Care			
Pharmaceuticals & Biotechnology	**64,094**	**11.3**	
GlaxoSmithKline	22,350	3.9	6.0
AstraZeneca	22,546	4.0	4.4
Roche Holdings	19,198	3.4	3.1
Consumer Services			
Food & Drug Retailers	**11,267**	**1.9**	
Tesco	7,108	1.2	–
Casino Guichard Perrachon	4,159	0.7	4.6

Investment	Valuation £'000	Total assets %	Yield %
Media	**19,738**	**3.5**	
Pearson	19,738	3.5	4.2
Travel & Leisure	**12,965**	**2.3**	
Compass Group	12,965	2.3	2.6
Telecommunications			
Mobile Telecommunications	**32,726**	**5.7**	
Vodafone Group	14,487	2.5	4.9
Inmarsat	10,071	1.8	3.4
Verizon Communications	8,168	1.4	4.7
Utilities			
Gas, Water & Multi-utilities	**39,673**	**6.9**	
Centrica	18,934	3.3	5.1
National Grid	12,642	2.2	5.2
Engie (formerly GDF Suez)	8,097	1.4	6.0
Financials			
Banks	**49,359**	**8.6**	
HSBC Holdings	19,108	3.3	5.6
Nordea Bank	15,602	2.7	5.5
Standard Chartered	9,713	1.7	5.4
Svenska Handelsbanken	4,936	0.9	4.7
Financial Services	**28,579**	**5.0**	
Close Brothers	13,339	2.3	3.3
Provident Financial	9,615	1.7	3.3
Schroder	5,625	1.0	3.2
Non-life Assurance	**7,895**	**1.4**	
Hiscox	7,895	1.4	8.0
Life Assurance	**19,693**	**3.5**	
Prudential	19,693	3.5	2.4
Equity Investment Instruments	**20,874**	**3.7**	
Aberforth Smaller Companies Trust	17,031	3.0	2.1
Dunedin Smaller Companies Investment Trust	3,843	0.7	2.4
Real Estate Investment Trusts	**8,806**	**1.5**	
Land Securities Group	8,806	1.5	2.7
Technology			
Software & Computer Services	**22,426**	**4.0**	
Sage Group	13,443	2.4	2.3
Microsoft	8,983	1.6	2.7
Total investments	**547,339**	**95.9**	

Source: Aberdeen Asset Managers Limited

Summary of Investment Changes During The Year

As at 30 June 2015

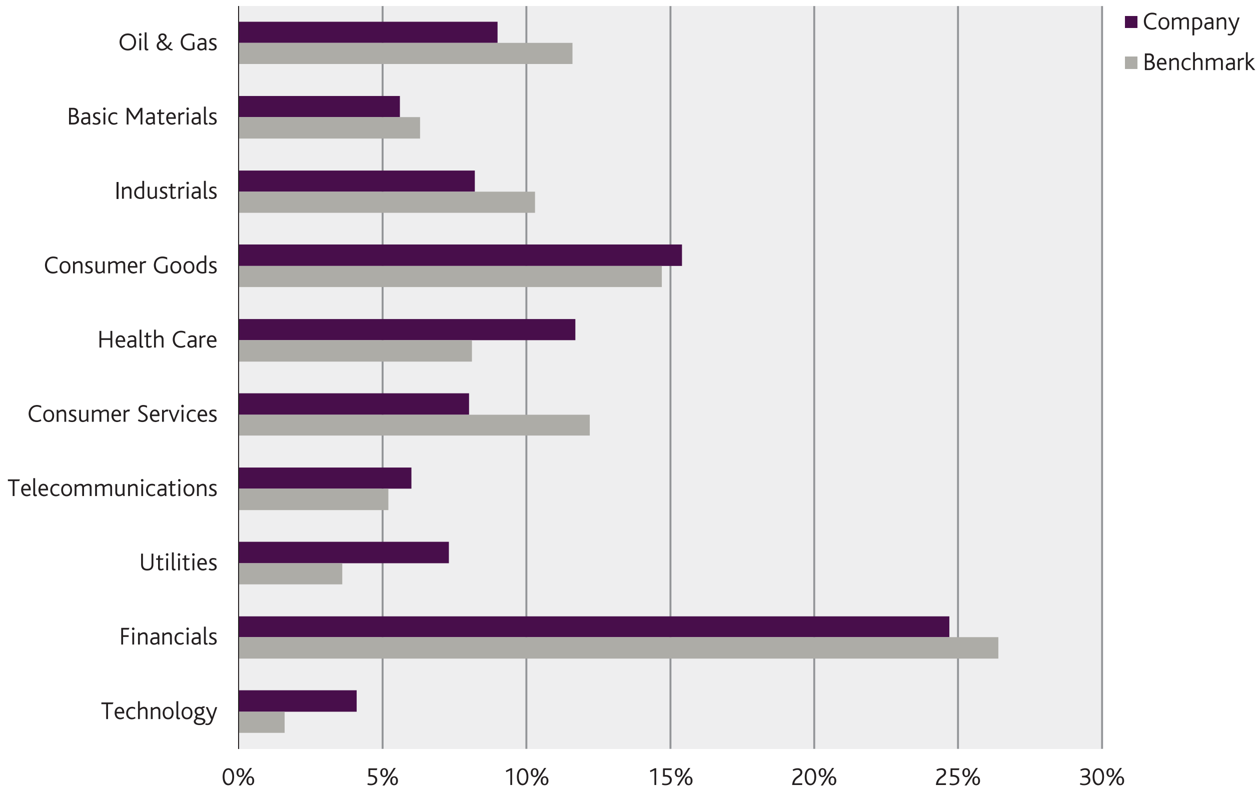
	Valuation 30 June 2014		Transactions	Gains/(losses)	Valuation 30 June 2015	
	£'000	%	£'000	£'000	£'000	%
Equities						
United Kingdom	469,936	79.3	4,863	(21,708)	453,091	79.4
France	27,500	4.7	–	(7,479)	20,021	3.5
Germany	5,730	0.9	–	(175)	5,555	1.0
Italy	15,991	2.7	(7,174)	(3,922)	4,895	0.8
Sweden	18,138	3.1	2,852	(452)	20,538	3.6
Switzerland	27,380	4.6	(1,875)	582	26,087	4.6
United States	13,831	2.3	2,101	1,220	17,152	3.0
Total investments	578,506	97.6	767	(31,934)	547,339	95.9
Other net assets	14,146	2.4	9,403	–	23,549	4.1
Total assets less current liabilities (excluding bank loan)	**592,652**	**100.0**	**10,170**	**(31,934)**	**570,888**	**100.0**

Summary of Net Assets

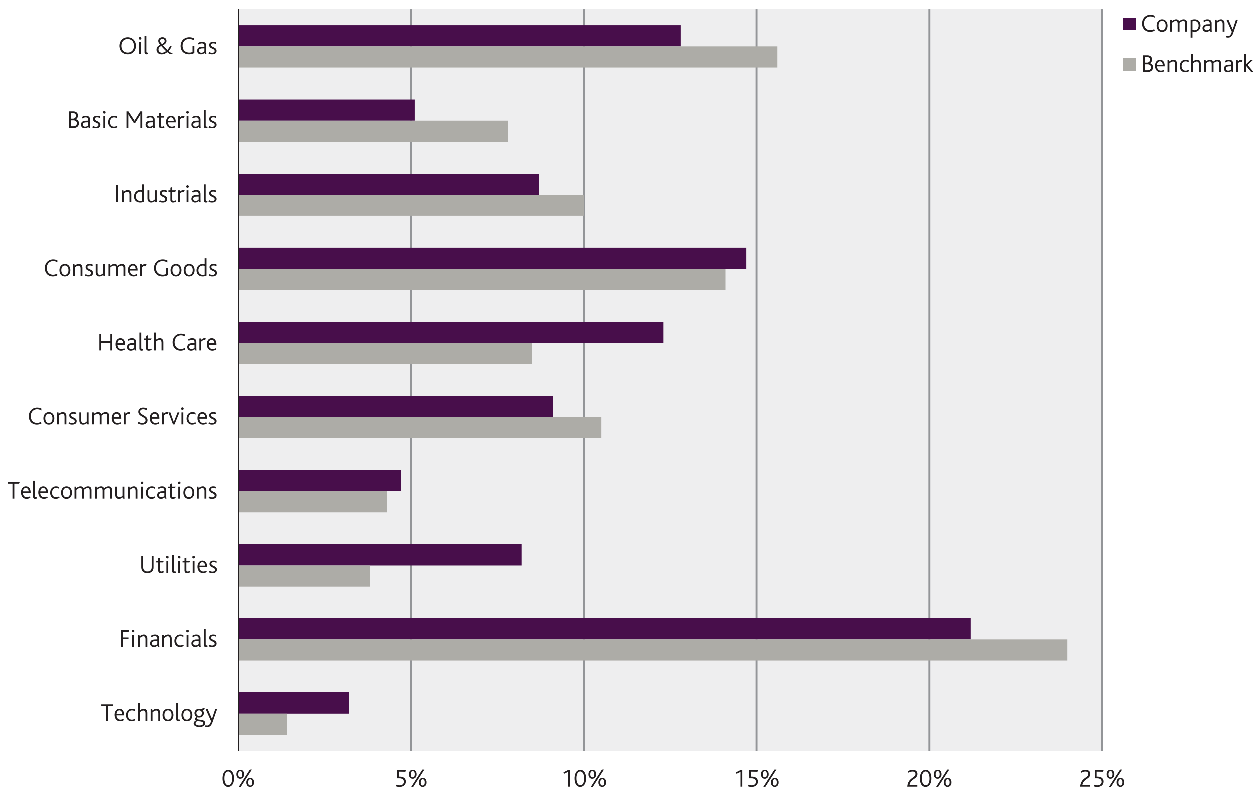
	As at 30 June 2015		As at 30 June 2014	
	£'000	%	£'000	%
Equities	547,339	106.1	578,506	105.6
Other net assets	23,549	4.6	14,146	2.6
Borrowings	(55,000)	(10.7)	(45,000)	(8.2)
Equity shareholders' funds	**515,888**	**100.0**	**547,652**	**100.0**

Sector Comparison With Benchmark

Equities Held at 30 June 2015

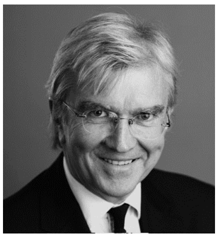


Equities Held at 30 June 2014



Your Board of Directors

The Directors, all of whom are independent and non-executive, supervise the management of Murray Income Trust PLC and represent the interests of Shareholders.



Neil Honebon MA

Status: Independent Non-Executive Chairman
Length of Service: 10 years
Experience and other public company directorships: Neil Honebon is a director of AlphaGen Volantis and AlphaGen Octanis, a member of the investment committee of the National Trust and an investment adviser to the Nuffield Foundation. He was formerly a director of Fleming Family and Partners Asset Management, and has over 30 years' experience in investment analysis and research.
Committee Membership: Audit Committee, Management Engagement Committee (Chairman), Nomination Committee (Chairman) and Remuneration Committee
Employment by Manager: None
Other connections with the Company or Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 20,000 Ordinary shares
Remuneration: Year ended 30 June 2015 – £29,392

David Woods MA, MSC, FIA

Status: Senior Independent Non-Executive Director
Length of Service: 6 years
Experience and other public company directorships: David Woods is a director of Phoenix Group Holdings PLC and chairman of Standard Life UK Smaller Companies Trust. He is also chairman of the Pension Fund Trustees for all of the UK companies in the SopraSteria Group and a director of the Santander (UK) Pension Scheme Ltd.
Committee Membership: Audit Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee (Chairman)
Employment by Manager: None
Other connections with the Company or Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 3,000 Ordinary shares
Remuneration: Year ended 30 June 2015 – £22,000

Jean Park BAcc, CA

Status: Independent Non-Executive Director
Length of Service: 3 years
Experience and other public company directorships: Jean Park was formerly Group Chief Risk Officer at Phoenix Group. Prior to that she was Risk Management Director of the Insurance and Investments Division of Lloyds TSB. She is an independent non-executive director of NHBC and Admiral Group plc. She is a member of the Institute of Chartered Accountants of Scotland.
Committee Membership: Audit Committee (Chairman), Management Engagement Committee, Nomination Committee and Remuneration Committee
Employment by Manager: None
Other connections with the Company or Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 5,575 Ordinary shares
Remuneration: Year ended 30 June 2015 – £27,000

Donald Cameron BA Hons

Status: Independent Non-Executive Director
Length of Service: 3 years
Experience and other public company directorships: Donald Cameron qualified at the Bar of England and Wales in 2002. Having transferred to the Faculty of Advocates, he was called to the Scottish Bar in 2005, and practises as an Advocate in Scotland. He is a non-executive director of Edinburgh Worldwide Investment Trust plc.
Committee Membership: Audit Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee
Employment by Manager: None
Other connections with the Company or Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 1,299 Ordinary shares
Remuneration: Year ended 30 June 2015 – £22,000

Neil Rogan MA

Status: Independent Non-Executive Director
Length of Service: 1 year, 9 months
Experience and other public company directorships: Neil Rogan is former Head of the Global Equities Team at both Gartmore and Henderson and former Head of International Equities, as well as a former member of the Investment Division Executive Committee, at Gartmore. He has previously managed Fleming Far Eastern Investment Trust and, while at Touche Remnant, he worked on TR Pacific Basin Investment Trust, TR Technology Trust and Bankers Investment Trust.
Committee Membership: Audit Committee, Management Engagement Committee, Nomination Committee and Remuneration Committee
Employment by Manager: None
Other connections with the Company or Manager: None
Shared Directorships with any other Directors: None
Shareholding in Company: 14,000 Ordinary shares
Remuneration: Year ended 30 June 2015 – £22,000

Directors' Report

Status

The Company, which was incorporated in 1923, is registered as a public limited company in Scotland under number SC012725 and is an investment company within the meaning of Section 833 of the Companies Act 2006.

The Company has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 July 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 June 2015 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure

At 30 June 2015, the Company had 68,142,458 fully paid Ordinary shares of 25p each (2014 – 68,017,458 Ordinary shares) with voting rights in issue and an additional 451,000 (2014 – 451,000) shares in treasury. During the year ended 30 June 2015, 125,000 new Ordinary shares were issued for cash. There have been no changes in the Company's issued share capital subsequent to the year end and up to the date of this Report.

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares, excluding treasury shares, carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may be applied from time to time by law (for example, insider trading law).

Results and Dividends

The financial statements for the year ended 30 June 2015 indicate a total loss attributable to equity shareholders for the year of £11,474,000 (2014 – gain of £68,356,000).

The final dividend for the year ended 30 June 2014, of 10.25p per Ordinary share, was paid to shareholders on 31 October 2014. The first, second and third interim dividends, each of 7.0p per Ordinary share, for the year ended 30 June 2015, were paid to shareholders on 16 January 2015, 2 April 2015 and 3 July 2015, respectively.

The Directors now recommend a final dividend for the year ended 30 June 2015 of 11.00p per Ordinary share, payable to shareholders on 30 October 2015, making a total distribution to Ordinary shareholders of £21,806,000 (2014 - £21,255,000) relating to the year ended 30 June 2015, as shown in note 6 to the financial statements. The ex-dividend date is 24 September 2015 and the record date is 25 September 2015. A resolution in respect of the final dividend will be proposed at the forthcoming Annual General Meeting.

Dividends are paid by means of three interim dividends, normally in January, April, July, and a final dividend in October, after the Annual General Meeting. Further information on dividends is contained in the Chairman's Statement on pages 6 and 7.

Directors

Biographies of the current Directors are found on pages 20 and 21. Neil Honebon, David Woods, Jean Park, Donald Cameron and Neil Rogan held office as Directors throughout the year ended 30 June 2015 and shall retire and seek re-election as Directors at the AGM. Patrick Gifford retired as a Director on 29 October 2014. The Board supports the candidature of the Directors for re-election for the reasons described in the Statement of Corporate Governance.

There were no contracts during, or at the end of the year, in which any Director was materially interested. No Director had a material interest in any investment in which the Company itself had a material interest.

Directors' Insurance and Indemnities

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. Furthermore, each Director of the Company is entitled to be indemnified out of the assets of the Company to the extent permitted by law against all costs, charges, losses, expenses and liabilities incurred by them in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or office. These rights are included in the Articles of Association of the Company and the Company has granted indemnities to each Director on this basis.

Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's assets consist of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale. The Directors are mindful of the principal risks and uncertainties disclosed on pages 3 and 4 and have reviewed forecasts detailing revenue and liabilities and they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report.

The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking covenants. On 26 September 2013, the Company entered into a two-year multi-currency revolving loan facility ("the Facility") with Scotiabank (Ireland) Limited for up to £80m. As at 30 June 2015, £55m had been drawn down under the Facility. The Company is in negotiation with its bankers in advance of renewal later in September 2015 but at this stage has not received confirmation that the Facility will be renewed. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access the facility. However, should these terms not be forthcoming, any outstanding borrowing would be repaid through the proceeds of equity sales.

Substantial Interests

At 10 September 2015, the following interests over 3% in the issued Ordinary share capital of the Company have been disclosed in accordance with the requirements of the UK Listing Authority's Disclosure and Transparency Rules:

Shareholder	Number of shares held	% held
Aberdeen Asset Managers Limited Retail Plans	12,312,667	18.1
Speirs & Jeffrey	5,078,316	7.5
Rathbone Brothers	4,516,222	6.6
Alliance Trust Savings	3,296,924	4.8
Brewin Dolphin	2,712,455	4.0
Hargreaves Lansdown (execution only)	2,500,015	3.7

As at the date of approval of this Report, no changes to the above interests had been notified to the Company.

Manager and Company Secretary

The Company's investment management arrangements with the Aberdeen Asset Management Group were reorganised during the year and the Company appointed Aberdeen Fund Managers Limited ("AFML"), a wholly owned subsidiary of Aberdeen Asset Management PLC, as its alternative investment fund manager ("AIFM" or "Manager") with effect from 16 July 2014. In order to facilitate this appointment, the Company terminated its existing investment management agreement with Aberdeen Asset Managers Limited ("AAML"), which was effective for the early part of the Company's year ended 30 June 2015, and entered into a new management agreement with AFML. The new management agreement with AFML is made on the same commercial terms as the previous agreement with AAML and is also compliant with the new regulatory regime under the AIFMD. Under the new arrangements, the Company's portfolio will continue to be managed by AAML by way of a group delegation agreement in place between AFML and AAML.

Company secretarial, accounting and administrative services are provided by Aberdeen Asset Management PLC.

For the period from 1 July 2014 to 15 July 2014, the management, secretarial and promotional fees payable by the Company to Aberdeen Group were calculated and charged on the following basis, which, in relation to management and secretarial fees, is unchanged under the new management agreement entered into with AFML from 16 July 2014 onwards:

A monthly fee is payable to AAML at the rate of one-twelfth of 0.55% on the first £400 million of net assets, 0.45% on the next £150 million of net assets and 0.25% on the excess over £550 million. The value of any investments in unit trusts, open ended and closed ended investment companies and investment trusts of which the Manager, or another company within the Aberdeen Group is the operator, manager or investment adviser, is deducted from net assets when calculating the fee. The investment management fee is chargeable 50% to revenue and 50% to capital. There is no performance fee. A secretarial fee of £75,000 per annum (plus applicable VAT) is payable to Aberdeen Asset Management PLC, which is chargeable 100% to revenue. An annual fee equivalent to 0.075% of gross assets (calculated at 30 September each year) is paid to AAML to cover promotional activities undertaken on behalf of the Company. The management, secretarial and promotional activity fees paid to Aberdeen Group companies during the year ended 30 June 2015 are shown in notes 3 and 4 to the financial statements.

The management agreement may be terminated by either the Company or the Manager on the expiry of three months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

In monitoring the performance of the Manager, the Board considers the investment record of the Company over the short term and longer term, taking into account both its performance against the benchmark index and peer group investment trusts. The Board also reviews the management processes, risk control mechanisms and promotional activities of the Manager. As a result of these reviews, the Board considers the continuing appointment of the Manager to be in the interests of shareholders because the Aberdeen Group has the investment management, promotional and associated secretarial and administrative skills required for the effective operation of the Company. The Board continues to keep this matter under review.

Corporate Governance

The Statement of Corporate Governance is set out on pages 26 to 32 and forms part of this Report.

Auditor

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

Annual General Meeting

Among the resolutions being put at the Annual General Meeting of the Company to be held on 28 October 2015, the following resolutions will be proposed:

Authority to allot shares and disapply pre-emption rights

Ordinary Resolution No. 11 in the Notice of Annual General Meeting will renew the authority to allot the unissued share capital up to an aggregate nominal amount of £851,780 (equivalent to approximately 3.4m Ordinary shares, or 5 per cent of the Company's existing issued share capital on the date of approval of this Report (excluding treasury shares)). Such authority will expire on the date of the next Annual General Meeting or on 31 December 2016, whichever is earlier. This means that the authority will require to be renewed at the next Annual General Meeting.

When shares are to be allotted for cash, Section 561 of the Companies Act 2006 (the "Act") provides that existing shareholders have pre-emption rights and that the new shares to be issued, or sold from treasury, must be offered first to such shareholders in proportion to their existing holding of shares. However, shareholders can, by special resolution, authorise the Directors to allot shares or sell from treasury otherwise than by a pro rata issue to existing shareholders. Special Resolution No. 12 will, if passed, give the Directors power to allot for cash or sell from treasury equity securities up to an aggregate nominal amount of £1,703,561 (equivalent to approximately 6.8m Ordinary shares, or 10 per cent of the Company's existing issued share capital on the date of approval of this Report, as if Section 561 of the Act does not apply). This authority will also expire on the date of the next Annual General Meeting or on 31 December 2016, whichever is earlier. This authority will not be used in connection with a rights issue by the Company.

The Directors intend to use the authority given by Resolutions 11 and 12 to allot shares or sell shares from treasury and disapply pre-emption rights only in circumstances where this will be clearly beneficial to shareholders as a whole. The issue proceeds would be available for investment in line with the Company's investment policy. No issue of shares will be made which would effectively alter the control of the Company without the prior approval of shareholders in general meeting. It is the intention of the Board that any issue of shares or any re-sale of treasury shares would only take place at a price not less than 0.5% above the net asset value per share prevailing at the date of sale. It is also the intention of the Board that sales from treasury would only take place when the Board believes that to do so would assist in the provision of liquidity to the market. The Directors recommend that shareholders vote in favour of Resolutions 11 and 12.

Purchase of the Company's own Ordinary Shares

At the Annual General Meeting held on 29 October 2014, shareholders approved the renewal of the authority permitting the Company to repurchase its Ordinary shares.

The Directors wish to renew the authority given by shareholders at the previous Annual General Meeting. A share buy-back facility enhances shareholder value by acquiring shares at a discount to net asset value as and when the Directors consider this to be appropriate. The purchase of shares, when they are trading at a discount to net asset value per share, should result in an increase in the net asset value per share for the remaining shareholders. This authority, if conferred, will only be exercised if to do so would result in an increase in the net asset value per share for the remaining shareholders and if it is in the best interests of shareholders generally. Any purchase of shares will be made within guidelines established from time to time by the Board. It is proposed to seek shareholder authority to renew this facility for another year at the Annual General Meeting.

Under the current Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of (i) 105% of the average of the middle market quotations for the shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out. The minimum price which may be paid is 25p per share. Shares which are purchased under this authority will either be cancelled or held as treasury shares. Special Resolution No. 13 in the Notice of Annual General Meeting will renew the authority to purchase in the market a maximum of 14.99% of shares in issue at the date of signing this Report (amounting to approximately 10.2m Ordinary shares). Such authority will expire on the date of the next Annual General Meeting, or on 31 December 2016, whichever is earlier. This means in effect that the authority will have to be renewed at the next Annual General Meeting, or earlier, if the authority has been exhausted. The Directors recommend that shareholders vote in favour of Resolution No. 13. No dividends may be paid on any shares held in treasury and no voting rights will attach to such shares. The benefit of the ability to hold treasury shares is that such shares may be resold. This should give the Company greater flexibility in managing its share capital, and improve liquidity in its shares.

Recommendation

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole, and recommend that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings totalling 43,874 Ordinary shares, representing 0.1% of the issued Ordinary share capital of the Company.

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The rules governing the appointment of Directors are set out in the Statement of Corporate Governance. 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, apart from the Management Agreement ("MA") with the Manager, that take effect, alter or terminate upon a change of control of the Company following a takeover. Other than the MA, further details of which are set out on pages 23 and 24, the Company is not aware of any contractual or other agreements which are essential to its business which might reasonably be expected to have to been disclosed in the Directors' Report.

By Order of the Board

N A Honebon
Chairman
10 September 2015

Statement of Corporate Governance

Corporate Governance

This Statement of Corporate Governance forms part of the Directors' Report which may be found on pages 22 to 25.

Introduction

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company applies the principles identified in the UK Corporate Governance Code ("the Code") published in September 2012 which is effective for financial years commencing on or after 1 October 2012. The Code is available on the Financial Reporting Council's website: www.frc.org.uk. The Board confirms that the Company has complied throughout the accounting period with the relevant provisions contained within the Code, unless otherwise indicated below.

The Code includes provisions relating to:
- the role of the chief executive (A.1.2);
- executive directors' remuneration (D.2.1 and D.2.2); and
- the need for an internal audit function (C.3.5).

For the reasons set out in the Preamble to the 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.

In relation to the Code provision relating to the independence of the Chairman, the Company has opted to explain rather than comply with this provision and additional information may be found under "Directors", below.

Additionally, the Company is a member of the Association of Investment Companies ("AIC") and complies with the recommendations of the AIC's Code of Corporate Governance (the "AIC Code") which seeks to codify best practice of particular relevance to investment trusts. The AIC Code is available on the AIC's website: www.theaic.co.uk.

Application of the AIC Code

The FRC and AIC published updated governance codes in September 2014 and February 2015, respectively, which will first apply to the Company's year ending 30 June 2016.

Directors

The Board currently consists of five non-executive Directors, all of whom held office throughout the year under review. Patrick Gifford retired from the Board on 29 October 2014. The names and biographies of the current Directors appear on pages 20 and 21 of this Annual Report, and indicate their range of investment, industrial, commercial and professional experience.

Each Director has the requisite high level and range of business and financial experience which enables the Board to provide clear and effective leadership and proper stewardship of the Company. Neil Honebon was appointed non-executive Chairman of the Company following the retirement of Patrick Gifford on 29 October 2014 while David Woods succeeded Neil as Senior Independent Director. Shareholders and other interested parties are invited to contact the Chairman or Senior Independent Director to register any concerns.

The Board has a schedule of matters reserved to it for decision, and the requirement for Board approval on these matters is communicated directly to the senior staff of the Manager. These matters include the following:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company, ranging from analysis of investment performance to annual budgeting and quarterly forecasting and variance analysis;
- approval of the half-yearly and annual Financial Statements, and approval and recommendation of the interim and final dividends respectively;
- setting the range of gearing within which the Manager may operate;
- major changes relating to the Company's structure, including share buy-backs and share issues;
- Board appointments and removals and the related terms;
- appointment and removal of the Manager and the terms and conditions of the management and other agreements relating thereto;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/Financial Conduct Authority – approval of all circulars and listing particulars, and approval of all releases concerning matters decided by the Board.

The Board has assessed the independence of the Directors against the criteria set out in the Codes, and has concluded that they are all independent of Aberdeen Fund Managers Limited ("AIFM" or 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 Code states that a test of independence applies on the appointment of the Chairman. The other Directors take the view, in line with AIC Code Principle 1, that a director's independence is not compromised by length of service on the Board and that experience can add significantly to the

Board's strength. Accordingly, the other Directors are satisfied that Mr Honebon provides appropriate leadership and possesses the relevant skills and experience to fulfil the role of Chairman and that he was independent on appointment and continues to remain independent, in the view of the other Directors.

During the year ended 30 June 2014, the Board engaged an external consultant, Law Debenture, to facilitate an evaluation of the Board's performance. Law Debenture has no other connection with the Company. A confidential questionnaire was completed by each Director, as well as by the Secretaries and representatives of the Manager, before individual meetings were held with the consultant. A draft of the consultant's report, which included a summary of non-attributable comments made by the participants, was discussed by the Board at their meeting on 1 July 2014 and the Report was finalised on 4 July 2014. It is the Board's intention to continue to use an external consultant to assist in the Board's performance evaluation not less than every three years and, accordingly, the Board plans to repeat the exercise during the year to 30 June 2017.

The Board and Committee review the Chairman's and Directors' other commitments, as set out on pages 20 and 21, and are satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company and contribute to the effective running of the Company. There have been no significant changes to the Chairman's other commitments since his appointment on 29 October 2014. The continuing independent and objective judgement of the Directors is assessed and confirmed.

The Board confirmed that the Directors standing for re-election at the AGM remained effective and continued to demonstrate commitment in their roles.

During the year ended 30 June 2015, the Board met formally on 6 occasions. In addition there were meetings of a Committee of the Board, where not all Directors were required to attend. Actual attendance by each of the Directors, with individual eligibility to attend in brackets, is shown in the table. Between meetings, the Board maintains regular contact with the Manager. The primary focus at regular Board meetings is the review of investment performance and associated matters, including gearing, asset allocation, promotional activities and investor relations, peer group information and industry issues.

In order 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. Directors have made further enquiries where necessary.

Director	Board Meetings Attended	Audit, Nomination, Management Engagement and Remuneration Committee Meetings Attended
N A Honebon	6 (6)	10 (10)
D E Woods	6 (6)	10 (10)
J C Park	5 (6)	10 (10)
D A Cameron	6 (6)	10 (10)
N A H Rogan	6 (6)	10 (10)
P A F Gifford [A]	3 (3)	4 (4)

Notes:

[A] Retired as Chairman and as a Director on 29 October 2014

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 corporate Company Secretary through its appointed representatives, who are 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 has a formal process for the consideration and authorisation by the Board of Directors' reported actual and potential conflicts of interest at each Board meeting. In accordance with the Company's Articles of Association and relevant legislation, each Director abstains from approval of their own position. Following the implementation of the Bribery Act 2010, the Board has adopted appropriate procedures designed to prevent bribery.

Board Committees

The Directors have appointed a number of Committees as set out below. Copies of the terms of reference, which define the responsibilities and duties of each Committee, are available upon request from the Company and are on the Company's website. Details of the Audit Committee may be found on pages 30 to 32.

Management Engagement Committee

As recommended by the AIC Code, a Management Engagement Committee has been established, comprising the full Board, which was chaired during the year by Patrick Gifford until 29 October 2014, and thereafter by Neil Honebon. The Chairman of the Committee is the Chairman of the Company. The Committee annually reviews matters concerning the management agreement in place between the Company and Manager. Details of this agreement are shown on pages 23 and 24.

Nomination Committee

The Nomination Committee consists of the whole Board and was chaired during the year by Patrick Gifford until 29 October 2014, and thereafter by Neil Honebon.

Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. External search consultants are likely to be used to ensure that a wide range of candidates can be considered. Induction sessions are arranged for a new Director involving meetings with certain departments within the Manager together with briefings on Directors' legal responsibilities and updates on investment trust industry matters.

A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting.

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and, therefore, independence will be determined on a case by case basis and in line with the AIC Code. The Board takes the view that Neil Honebon remains independent notwithstanding his appointment as a Director for over 9 years.

The Articles also require that one-third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. The Board has, however, decided to adopt best practice in line with the requirement of the Code for FTSE 350 companies, for all Directors to retire and, if appropriate, stand for annual re-election at each AGM. Accordingly, the Committee recommended to the Board, with the relevant Directors absenting themselves from the discussions, the nominations for the re-election of each of Neil Honebon, David Woods, Jean Park, Donald Cameron and Neil Rogan at the forthcoming Annual General Meeting, based on their experience, skills and industry knowledge as set out on pages 20 and 21.

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise, including notification of any perceived conflict of interest which may arise. Every Director is entitled to receive appropriate training as deemed necessary.

Remuneration Committee

The Remuneration Committee consists of the whole Board, and was chaired during the year by Neil Honebon until 29 October 2014, and thereafter by David Woods. The Committee's responsibilities include making recommendations to the Board on the level of the non-executive Directors' fees and further information may be found on pages 33 to 35.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report and Accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up-to-date information on the Company through the Company's website (www.murray-income.co.uk) and the Manager's Freephone information service, and the Company responds to letters from shareholders on a wide range of issues (see the Corporate Information on page 69 for contact details).

The Notice of Annual General Meeting included within the Annual Report is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions at the Company's Annual General Meeting.

Proxy Voting as an Institutional Shareholder

The purpose of the FRC's UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their UK commitment to the UK Stewardship Code.

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, which may be found on the Manager's website, at http://www.aberdeen-asset.com/aam.nsf/AboutUs/governancestewardship. These Principles 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 also reviewed the Manager's Disclosure Response to the UK Stewardship Code, which appears on the Manager's website, at the web-address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the 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 Directors expect companies in which investments are made to adhere to best practice in the area of corporate governance. The Directors, through the Manager, may enter into a dialogue, where practicable, with company management to encourage them, where necessary, to improve their policies in this area. The Company's investment objective and investment policy, however, mean that where an investee company does not adhere to best corporate governance practice the Company will not necessarily sell its holding in that company.

Socially Responsible Investment Policy

The Board is aware of its duty to act in the best interests of the Company. As an investment trust, the Company has no direct social, environmental or community responsibilities. However, the Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and the Board, therefore, ensures that they take regular account of the social, environment and ethical factors, which may affect the performance or value of the Company's investments.

Disclosure and Transparency Rules

Shareholders' attention is drawn to the Additional Information on page 25 which is disclosed in accordance with the Companies Act 2006 and Rule 7.2.6 of the Disclosure and Transparency Rules.

Declaration

The Directors listed on pages 20 and 21, being the persons responsible, hereby confirm to the best of their knowledge:

- that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy; and
- that 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.

By order of the Board
Aberdeen Asset Management PLC
Secretary, Edinburgh

10 September 2015

Report of the Audit Committee

The Directors have appointed an Audit Committee, consisting of the whole Board, which was chaired by Jean Park throughout the year ended 30 June 2015.

The Directors have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience – Jean Park is a member of the Institute of Chartered Accountants of Scotland. The other Directors consider that it is appropriate for the Chairman of the Board to be a member of, but not chair, the Audit Committee, due to the Board's small size, the lack of any conflict of interest and because the other Directors believe that he continues to be independent.

The Audit Committee meets at least twice each year, in line with the cycle of annual and half-yearly reports, which is considered by the Directors to be a frequency appropriate to the size and complexity of the Company.

Role of the Audit Committee

In summary, the Audit Committee's main audit review functions are:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out on pages 30 and 31);
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half-yearly reports, announcements and related formal statements;
- to review the content of the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to meet with the Auditor to review their proposed audit programme of work and the findings of the Auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Non-audit fees of £23,000 were paid to the Auditor during the year ended 30 June 2015 (2014 - £2,000), split between project-based advice on reclaiming withholding tax on French dividends (£21,000) and the preparation of annual corporation tax returns in the format prescribed by HMRC (£2,000). All figures are quoted inclusive of applicable VAT. The Committee will review any future non-audit fees in the light of the requirement for the Auditor to maintain their independence;
- to review a statement from the Manager detailing the arrangements in place within Aberdeen whereby Aberdeen staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the appointment of the Auditor and to approve the remuneration and terms of engagement of the Auditor;
- to monitor and review annually the Auditor's independence, objectivity, effectiveness, resources and qualification; and
- to investigate, when an Auditor resigns, the reasons giving rise to such resignation and consider whether any action is required.

Internal Controls and Risk Management

The Board is ultimately responsible for the Company's system of internal control and risk management and for reviewing its effectiveness. The Board confirms that as at 30 June 2015 there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that it has been in place for the year ended 30 June 2015 and up to the date of approval of the Annual Report and Financial Statements, that it is regularly reviewed by the Board and accords with the internal control guidance for directors in the Code.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management.

The Directors have delegated the investment management of the Company's assets to the Manager within overall guidelines, and this embraces implementation of the system of internal control, including financial, operational and compliance controls and risk management. Internal control systems are monitored and supported by the Manager's internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented.

Risks are identified and documented through a risk management framework by each function within the Manager's activities. Risk is considered in the context of the FRC and Code guidance, and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The principal risks and uncertainties facing the Company are identified on pages 3 and 4 of this Report.

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

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- the Board and Manager have agreed clearly-defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager as appropriate;
- as a matter of course, the Manager's compliance department continually reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third-party service providers;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Manager, has decided to place reliance on the Manager's systems and internal audit procedures;
- at its September 2015 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 30 June 2015 by considering documentation from the Manager, including the internal audit and compliance functions, and taking account of events since 30 June 2015.

In addition, the Manager ensures that clearly-documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Manager's Head of Internal Audit reports six-monthly to the Audit Committee of the Company, and has direct access to the Directors at any time.

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

Significant Risks for the Audit Committee

During its review of the Company's financial statements for the year ended 30 June 2015, the Audit Committee considered the following significant risks, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the year end audit:

Valuation and Existence of Investments

How the risk was addressed - The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 1(e) and 1(h) to the Financial Statements on page 45. All investments are considered liquid and quoted in active markets and have been categorised as Level 1 within the FRS 29 fair value hierarchy and can be verified against daily market prices. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared each month and circulated to the Board. The portfolio is also reviewed annually by the Auditor. The Company used the services of an independent Custodian (JP Morgan Chase Bank), until 15 July 2014, and thereafter the services of a depositary (BNP Paribas Securities Services), during the year under review to hold the assets of the Company. The investment portfolio is reconciled regularly by the Manager and the audit includes independent confirmation of the existence of all investments.

Income recognition

How the risk was addressed - the recognition of investment income is undertaken in accordance with accounting policy note 1(b) to the Financial Statements. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Directors also review at each meeting the Company's income, including income received, revenue forecasts and dividend comparisons.

Review of Auditor

The Audit Committee has reviewed the effectiveness of the Auditor including:

- independence - the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity, including the level of non-audit fees it has received from the Company, and makes the Committee aware of any potential issues, explaining all relevant safeguards;
- quality of audit work including the ability to resolve issues in a timely manner - identified issues are satisfactorily and promptly resolved;
- its communications/presentation of outputs - the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible, and working relationship with management - the Auditor has a constructive working relationship with the Manager; and

- quality of people and service including continuity and succession plans - the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

EY, and predecessor firms, have held office as Auditor since the incorporation of the Company in 1923. In accordance with present professional guidelines the Senior Statutory Auditor is rotated after no more than five years and the year ended 30 June 2015 will be the first year for which the present Senior Statutory Auditor has served. The Committee considers EY to be independent of the Company. The Audit Committee arranged, in May 2014, a tender for the Company's external audit following which the Directors recommended the reappointment of EY as external Auditor which was subsequently approved by shareholders at the AGM on 29 October 2014. Shareholders have the opportunity at each AGM to vote on the reappointment of the Auditor for the forthcoming year. Under EU regulations, EY are required to resign as Auditor no later than 2020 and, accordingly, the Board expects to hold the next tender for external audit services in 2019.

J C Park
Chairman of the Audit Committee

10 September 2015

Directors' Remuneration Report

The Board has prepared this Directors' Remuneration Report, in accordance with the regulations governing the disclosure and approval of Directors' remuneration, and it consists of two parts:

(i) a Remuneration Policy, which was subject to a binding shareholder vote at the October 2014 AGM and will next be put to a similar vote no later than the 2017 AGM. If the Directors should wish to vary the Remuneration Policy before 2017, then shareholder approval for the new Remuneration Policy would be sought; and
(ii) an Implementation Report, which provides information on how the policy has been applied during the year and which will be subject to an advisory vote on the level of remuneration paid during the year as set out in the Implementation Report.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Independent Auditor's Opinion is included on pages 37 to 39.

The fact that the Remuneration Policy will now be subject to a binding vote does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for the foreseeable future.

Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for Directors of the Company. This policy takes into consideration the principles of UK Corporate Governance. No shareholder views were sought in setting the Remuneration Policy although any comments received from shareholders would be considered on an ongoing basis.

Although the Company has no employees and the Board is comprised wholly of non-executive Directors and, despite the size and nature of the Company, the Board has established a separate Remuneration Committee which determines Directors' remuneration. The Directors' fees are set out within the Company's Articles of Association which limit to £200,000 the annual aggregate fees payable to the Board. This limit may only be amended by shareholder resolution and an increase was last approved in October 2011.

	30 June 2015 £	30 June 2014 £
Chairman	33,000	33,000
Chairman of Audit Committee	27,000	27,000
Director	22,000	22,000

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £23,500 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed subject to 3 months' written notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

The above Remuneration Policy, effective for 3 years, was approved by shareholders at the AGM on 29 October 2014.

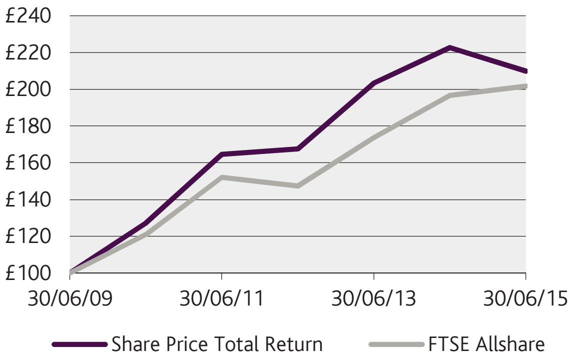
Implementation Report

Directors' Fees

The Board carried out a review of Directors' annual fees during the year and concluded that the annual fees should be increased, with effect from 1 July 2015, to £34,500, £28,500 and £23,500 for the Chairman, Audit Committee Chairman and other Directors, respectively. This increase reflects the Directors' agreement to forego claiming any travel expenses from the Company relating to meetings of the Board held on or after 1 July 2015. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

Company Performance

Also during the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total return from the FTSE All-Share Index for the six year period to 30 June 2015 (rebased to 100 at 30 June 2009). This index was chosen for comparison purposes, as it is the benchmark used for investment performance measurement purposes.



Statement of Proxy Voting at Annual General Meeting

At the Company's last AGM, held on 29 October 2014, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) and the Directors' Remuneration Policy in respect of the year ended 30 June 2014 and the following proxy votes were received on the Resolutions:

Resolution	For	Discretionary	Against	Withheld
2. Receive and Adopt Directors' Rem. Report	23.0m (99.5%)	109,927 (0.47%)	205,996 (0.03%)	128,870
3. Receive and Adopt Directors' Rem. Policy	23.0m (98.68%)	104,505 (0.45%)	203,921 (0.87%)	136,642

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to Directors with distributions to shareholders. The total fees paid to Directors are shown in the table.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable:

Director	30 June 2015 £	30 June 2014 £
N A Honebon [A]	29,392	22,000
D E Woods	22,000	22,000
J C Park [B]	27,000	25,414
D A Cameron	22,000	22,000
N A H Rogan [C]	22,000	13,139
P A F Gifford [D]	10,823	33,000
H van der Klugt [E]	-	8,564
Total	**133,215**	**146,117**

Notes to the Fees Payable Table:

[A] Appointed Chairman of the Board on 29 October 2014

[B] Appointed Chairman of the Audit Committee on 25 October 2013

[C] Appointed as a Director on 26 November 2013

[D] Retired as Chairman and as a Director on 29 October 2014

[E] Retired as a Director on 25 October 2013

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the table above.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 30 June 2015, and 1 July 2014, had no interest in the share capital of the Company other than those interests shown below, all of which are beneficial interests, unless indicated otherwise:

	30 June 2015 Ord. 25p	1 July 2014 Ord. 25p
N A Honebon	20,000	20,000
D E Woods	3,000	3,000
J C Park	5,575	5,575 [A]
D A Cameron	1,287	1,236
N A H Rogan	14,000	7,000
P A F Gifford	n/a	40,552

[A] Of which, 3,000 shares were owned beneficially

As at the date of approval of this Report, there had been no changes to the above holdings other than Donald Cameron acquired an additional 12 shares on 7 July 2015 at a price per share of 715p as a result of dividend reinvestment.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration

Policy and Remuneration Implementation summarises, as applicable, for the year ended 30 June 2015:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and in which decisions have been taken.

D E Woods
Chairman of the Remuneration Committee

10 September 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 the 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 proper 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 website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

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

For and on behalf of the Board of Murray Income Trust PLC

N A Honebon
Chairman

10 September 2015

Independent Auditor's Report to the Members of Murray Income Trust PLC

Our audit opinion on the financial statements

In our opinion:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

What we have audited

We have audited the financial statements of Murray Income Trust PLC for the year ended 30 June 2015 which comprise the Income Statement, Balance Sheet, the Reconciliation of Movements in Shareholders' Funds, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISoAs"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

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

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

Our assessment of risks of material misstatement and our audit response

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

Risks Identified	Our Response
The investment income receivable by the Company during the period directly drives the Company's ability to make a dividend payment to shareholders. The investment income receivable for the year to 30 June 2015 was £25.5m (as disclosed in Note 2 to the financial statements). If the Company is not entitled to receive the dividend income or option premiums recognised in the financial statements, or the income recognised does not	• We agreed a sample of dividends to the corresponding announcement made by the investee company and agreed cash received to bank statements. • For all dividends accrued at year end, we reviewed the investee company announcements to assess whether the dividend obligation

Independent Auditor's Report to the Members of Murray Income Trust PLC continued

relate to the current financial year, this will impact the extent of the profits available to fund dividend distributions to shareholders.	arose prior to 30 June 2015. • We agreed a sample of accrued dividends to post year end bank statements to assess the recoverability of these amounts. • We agreed a sample of option contracts to broker statements and verified that the premiums have been recognised in revenue.
The valuation of the assets held in the investment portfolio is the key driver of the Company's investment return. The value of the Company's investment portfolio at 30 June 2015 was £547.3m (movements in the investment portfolio are shown in Note 9 to the financial statements). Incorrect asset pricing or a failure to maintain proper legal title of the assets held by the company could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.	• We agreed the year end prices of the investments to an independent source. • We agreed the number of shares held in each security to a confirmation of legal title received from both the company's custodian and its depositary.

Our application of materiality

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

We determined materiality for the Company to be £5,159,000, which is one per cent of total equity (2014: £5,477,000 based on one per cent of total equity). We have derived our materiality calculation based on a proportion of total equity as we consider it to be the most important financial metric on which shareholders would judge the performance of the Company.

We determined performance materiality for the Company to be 75% of materiality, or £3,869,000 (2014: £4,107,000). In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £258,000 (2014: £274,000), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

In addition, we agreed with the Audit Committee that we would report any audit differences in excess of £258,000 (2014: £274,000), as well as any differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

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

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

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

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

Matters on which we are required to report by exception

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

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:
- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

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

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

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

Under the Listing Rules we are required to review:
- the Directors' statement, set out on pages 22 and 23, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the ten provisions of the UK Corporate Governance Code specified for our review.

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

10 September 2015

Income Statement

		Year ended 30 June 2015			Year ended 30 June 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments	9	–	(32,303)	(32,303)	–	49,520	49,520
Currency gains/(losses)		–	33	33	–	(105)	(105)
Income	2	25,476	–	25,476	23,926	–	23,926
Investment management fees	3	(1,396)	(1,396)	(2,792)	(1,386)	(1,386)	(2,772)
Administrative expenses	4	(1,183)	–	(1,183)	(1,079)	–	(1,079)
Net return before finance costs and taxation		22,897	(33,666)	(10,769)	21,461	48,029	69,490
Finance costs of borrowing	5	(380)	(380)	(760)	(362)	(362)	(724)
Net return on ordinary activities before taxation		22,517	(34,046)	(11,529)	21,099	47,667	68,766
Taxation on ordinary activities	7	55	–	55	(410)	–	(410)
Net return on ordinary activities after taxation		**22,572**	**(34,046)**	**(11,474)**	**20,689**	**47,667**	**68,356**
Return per Ordinary share (pence)	8	**33.1**	**(50.0)**	**(16.9)**	**30.5**	**70.2**	**100.7**

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

The Company had no recognised gains or losses other than those 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.

		£'000	£'000	£'000	£'000	£'000	£'000
Ordinary dividends on equity shares	6	**21,240**	–	**21,240**	**20,712**	–	**20,712**

The above dividend information does not form part of the Income Statement.

Balance Sheet

	Notes	As at 30 June 2015 £'000	As at 30 June 2014 £'000
Non-current assets			
Investments at fair value through profit or loss	9	547,339	578,506
Current assets			
Other debtors and receivables	10	7,148	2,414
Cash and short term deposits		17,874	12,643
		25,022	15,057
Creditors: amounts falling due within one year			
Other payables	11	(1,473)	(911)
Bank loans	11	(55,000)	(45,000)
Net current liabilities		(31,451)	(30,854)
Net assets		**515,888**	**547,652**
Share capital and reserves			
Called-up share capital	12	17,148	17,117
Share premium account		24,020	23,101
Capital redemption reserve		4,997	4,997
Capital reserve	13	441,383	475,429
Revenue reserve	13	28,340	27,008
Total equity shareholders' funds		**515,888**	**547,652**
Net asset value per Ordinary share (pence)	14	**757.1**	**805.2**

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

N A Honebon
Chairman

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

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 June 2015

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2014		17,117	23,101	4,997	475,429	27,008	547,652
Return on ordinary activities after taxation		–	–	–	(34,046)	22,572	(11,474)
Issue of Ordinary shares		31	919	–	–	–	950
Dividends paid	6	–	–	–	–	(21,240)	(21,240)
Balance at 30 June 2015		**17,148**	**24,020**	**4,997**	**441,383**	**28,340**	**515,888**

For the year ended 30 June 2014

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 July 2013		16,886	16,202	4,997	427,762	27,031	492,878
Return on ordinary activities after taxation		–	–	–	47,667	20,689	68,356
Issue of Ordinary shares		231	6,899	–	–	–	7,130
Dividends paid	6	–	–	–	–	(20,712)	(20,712)
Balance at 30 June 2014		**17,117**	**23,101**	**4,997**	**475,429**	**27,008**	**547,652**

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

Cash Flow Statement

	Notes	Year ended 30 June 2015 £'000	£'000	Year ended 30 June 2014 £'000	£'000
Net cash inflow from operating activities	15		15,121		18,334
Servicing of finance					
Interest paid			(769)		(722)
Taxation					
Net tax paid			(240)		(416)
Financial investment					
Purchases of investments		(53,436)		(39,256)	
Sales of investments		54,812		30,485	
Net cash inflow/(outflow) from financial investment			1,376		(8,771)
Equity dividends paid	6		(21,240)		(20,712)
Net cash outflow before financing			(5,752)		(12,287)
Financing					
Issue of Ordinary shares	12	950		7,496	
Drawdown of loan		10,000		5,000	
Net cash inflow from financing			10,950		12,496
Increase in cash	16		**5,198**		**209**

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

1. **Accounting policies**

(a) **Basis of preparation**

The financial statements have been prepared in accordance with the applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in November 2014.

The financial statements have been prepared on a going concern basis. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

(b) **Income**

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the year. Where the Company has elected to receive dividends in the form of additional shares rather than cash, the amount of the cash dividend foregone is recognised as revenue and any residual amount is recognised as capital. Provision is made for any dividends not expected to be received. Special dividends are credited to capital or revenue, according to the circumstances. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately within the Income Statement.

The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares.

Interest receivable from cash and short-term deposits and interest payable is accrued to the end of the year.

(c) **Expenses**

All expenses are accounted for on an accruals basis. All expenses are charged through the revenue column of the Income Statement except as follows:

- transaction costs on the acquisition or disposal of investments are recognised as a capital item in the Income Statement.
- expenses are charged as a capital item in the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 50% to revenue and 50% to capital to reflect the Company's investment policy and prospective income and capital growth.

(d) **Taxation**

The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The tax effect of different items of income/gain and expenditure/loss is allocated between the capital and revenue accounts on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year.

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

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

(e) Valuation of investments

Investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. 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 (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Gains and losses arising from changes in fair value are included in the net return for the period as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

(f) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value.

(g) Borrowings

Short-term borrowings, which comprise interest bearing bank loans and overdrafts are recognised initially at the fair value of the consideration received, net of any issue expenses, and subsequently at amortised cost. The finance costs, being the difference between the net proceeds of borrowings and the total amount of payments that require to be made in respect of those borrowings, accrue evenly over the life of the borrowings and are allocated 50% to revenue and 50% to capital.

(h) Traded options

The Company may enter into certain derivative contracts (eg options) to gain exposure to the market. The option contracts are accounted for as separate derivative contracts and are therefore shown in other assets or other liabilities at their fair value ie market value. The premium received on the open position is recognised over the life of the option in the revenue column of the Income Statement. Where the option is written for the maintenance or enhancement of the Company's investments then the change in fair value is recognised in the capital column of the Income Statement.

(i) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(j) Treasury shares

When the Company purchases the Company's equity share capital as treasury shares, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. When these shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

(k) Dividends payable

Dividends are recognised in the financial statements in the period in which they are paid.

2.	Income	2015 £'000	2014 £'000
	Income from investments		
	UK dividends (all listed)	16,471	14,855
	Overseas dividends (all listed)	5,838	5,078
	Stock dividends	1,576	2,596
		23,885	22,529
	Other income		
	Deposit interest	103	29
	Traded option premiums	1,488	1,368
		1,591	1,397
	Total income	**25,476**	**23,926**

During the year, the Company received premiums totalling £1,488,000 (2014 – £1,368,000) in exchange for entering into derivative transactions. At the year end there was 1 open position (2014 – 9), valued at a liability position of £34,000 (2014 – £156,000) and securities held by the Company with a value of £3,743,000 (2014 – £3,198,000) were pledged as collateral against this.

3.	Management fee	2015 Revenue £'000	2015 Capital £'000	2015 Total £'000	2014 Revenue £'000	2014 Capital £'000	2014 Total £'000
	Management fee	1,396	1,396	2,792	1,386	1,386	2,772

For the year ended 30 June 2015 management and secretarial services were provided by Aberdeen Asset Managers Limited ("AAM") until 15 July 2014 and thereafter by Aberdeen Fund Managers Limited ("AFML"). There were no changes to the commercial arrangements. Under the terms of an agreement effective from 16 July 2014 (which replaced the existing arrangements with AAM), the Company has appointed AFML to provide management, accounting, administrative and secretarial duties.

The management fee is based on 0.55% for net assets up to £400 million, 0.45% on the next £150 million of net assets and 0.25% for funds over £550 million, calculated and paid monthly. The fee is allocated 50% to revenue and 50% to capital. The agreement is terminable on three months' notice. The total of the fees paid and payable during the year to 30 June 2015 was £2,792,000 (2014 – £2,772,000) and the balance due to AFML at the year end was £225,000 (2014 – £478,000).

4. Administrative expenses	2015 £'000	2014 £'000
Shareholders' services[A]	569	557
Directors' remuneration	133	146
Secretarial fees[B]	90	90
Auditor's remuneration		
• fees payable to the Company's auditor for the audit of the Company's annual accounts	21	21
– non-audit services		
• fees payable to the Company's auditor and its associates for iXBRL tagging services	2	2
• fees payable to the Company's auditor and its associates for French WHT reclaims	21	–
Other expenses	347	263
	1,183	**1,079**

[A] Includes registration, savings scheme and other wrapper administration and promotion expenses, of which £489,000 (2014 – £479,000) was paid to Aberdeen Asset Managers Limited ("AAML") under a delegation agreement with AFML to cover promotional activities during the year. There was £121,000 (2014 – £125,000) due to AAML in respect of these promotional activities at the year end.

[B] Payable to AFML, balance outstanding £23,000 (2014 – £15,000) at the year end.

With the exception of Auditor's remuneration for the statutory audit, all of the expenses above, including fees for non–audit services, include irrecoverable VAT where applicable. For the Auditor's remuneration for the statutory audit irrecoverable VAT amounted to £4,000 (2014 – £4,000).

	2015			2014		
	Revenue	Capital	Total	Revenue	Capital	Total
5. Finance costs of borrowing	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans and overdrafts	**380**	**380**	**760**	**362**	**362**	**724**

6. Ordinary dividends on equity shares	2015 £'000	2014 £'000
Third interim 2014 of 7.00p (2013 – 7.00p)	4,761	4,676
Final 2014 of 10.25p (2013 – 9.75p)	6,972	6,590
First interim 2015 of 7.00p (2014 – 7.00p)	4,770	4,761
Second interim 2015 of 7.00p (2014 – 7.00p)	4,770	4,761
Return of unclaimed dividends	(33)	(76)
	21,240	**20,712**

The third interim and proposed final dividends for 2015 have not been included as a liability in these financial statements as they were not payable until after the Balance Sheet date. The proposed final dividend for 2015 is subject to approval by shareholders at the Annual General Meeting.

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Section 1158–1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £22,572,000 (2014 – £20,689,000).

	2015	2014
	£'000	£'000
Three interim dividends of 7.00p each (2014 – 7.00p)	14,310	14,283
Proposed final dividend of 11.00p (2014 – 10.25p)	7,496	6,972
	21,806	**21,255**

The amount reflected above for the cost of the proposed final dividend for 2015 is based on 68,142,458 Ordinary shares, being the number of Ordinary shares in issue at the date of this Report.

	2015			2014		
	Revenue	Capital	Total	Revenue	Capital	Total
7. Taxation	£'000	£'000	£'000	£'000	£'000	£'000
(a) Analysis of charge for the year						
Overseas tax suffered	763	–	763	610	–	610
French WHT reclaimed	(512)	–	(512)	–	–	–
Overseas tax reclaimable	(306)	–	(306)	(200)	–	(200)
Current tax charge for the year	**(55)**	–	**(55)**	**410**	–	**410**

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax rate of 20.75% (2014 – 22.5%). The differences are explained as follows:

	2015			2014		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net profit on ordinary activities before taxation	**22,517**	**(34,046)**	**(11,529)**	**21,099**	**47,667**	**68,766**
Return on ordinary activities multiplied by the standard rate of corporation tax of 20.75% (2014 – 22.5%)	4,672	(7,065)	(2,393)	4,747	10,725	15,472
Effects of:						
Non-taxable UK dividends	(3,418)	–	(3,418)	(3,342)	–	(3,342)
Non-taxable stock dividends	(327)	–	(327)	(584)	–	(584)
Non-taxable overseas dividends	(1,161)	–	(1,161)	(1,084)	–	(1,084)
Movement in unutilised loan relationships	137	79	216	157	81	238
Movement in unutilised management expenses	97	290	387	106	312	418
Other capital returns	–	6,696	6,696	–	(11,118)	(11,118)
Overseas tax recoverable	(55)	–	(55)	410	–	410
Current tax charge	**(55)**	–	**(55)**	**410**	–	**410**

(c) Factors that may affect future tax charges

No provision for deferred tax has been made in the current or prior accounting period.

The Company has not provided for deferred tax on capital gains or losses arising on the revaluation or disposal of investments as it is exempt from tax on these items because of its status as an investment trust company.

At the year end, the Company has, for taxation purposes only, accumulated unrelieved management expenses and loan relationship deficits of £56,816,000 (2014 – £53,831,000). A deferred tax asset in respect of this has not been recognised and these expenses will only be utilised if the Company has profits chargeable to corporation tax in the future. It is considered too uncertain that the Company will generate such profits and therefore no deferred tax asset has been recognised.

	2015		2014	
8. Return per Ordinary share	**£'000**	**p**	**£'000**	**p**
Returns are based on the following figures:				
Revenue return	22,572	33.1	20,689	30.5
Capital return	(34,046)	(50.0)	47,667	70.2
Total return	**(11,474)**	**(16.9)**	**68,356**	**100.7**
Weighted average number of Ordinary shares in issue		**68,100,677**		**67,868,896**

	2015	2014
9. Investments	**£'000**	**£'000**
Held at fair value through profit or loss:		
Opening valuation	578,506	517,619
Opening investment holdings gains	(170,702)	(132,716)
Opening book cost	407,804	384,903
Movements during the year:		
Purchases at cost	55,948	41,852
Sales – proceeds	(54,812)	(30,485)
Sales – gains	5,300	11,534
Closing book cost	414,240	407,804
Closing investment holdings gains	133,099	170,702
Closing valuation	**547,339**	**578,506**

	2015	2014
The portfolio valuation:	**£'000**	**£'000**
UK equities	453,091	469,936
Overseas equities	94,248	108,570
Total	**547,339**	**578,506**

	2015	2014
(Losses)/gains on investments	**£'000**	**£'000**
Gains based on book cost	5,300	11,534
Net movement in investment holdings gains	(37,603)	37,986
	(32,303)	**49,520**

As at 30 June 2015, the Company had pledged collateral greater than the market value of the traded options in accordance with standard commercial practice. The carrying amount of financial assets pledged equated to £3,743,000 (2014 – £3,198,000), all in the form of securities. The collateral position is monitored on a daily basis, which then determines if further assets are required to be pledged over and above those already pledged.

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified at 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	285	155
Sales	30	40
	315	**195**

10. Other debtors and receivables	2015 £'000	2014 £'000
Prepayments and accrued income	**7,148**	**2,414**

11. Creditors: amounts falling due within one year	2015 £'000	2014 £'000
Accruals	503	755
Amounts due to brokers	936	–
Amounts due on derivative contracts	34	156
Bank loans	55,000	45,000
	56,473	**45,911**

At the Balance Sheet date there was one (2014 – nine) open option position with counterparty, Credit Suisse, having a value of £34,000 (2014 – £156,000).

At 30 June 2015 the Company had drawn down £55,000,000 (30 June 2014 – £45,000,000) of an £80,000,000 unsecured revolving bank credit facility with Scotiabank (Ireland) Limited. Under the terms of the agreement, advances from the facility may be made for periods of up to six months or for such longer periods agreed by the lender. Interest is charged at a variable rate based on LIBOR plus a margin of 0.85% for the relevant period of the advance. As at 30 June 2015 this rate was 1.36256% (30 June 2014 – 1.34469%) and the loan rolled over on 29 July 2015.

On 28 August 2015 the Company had drawn down £55,000,000 of the facility, at an all-in interest rate of 1.35251% until maturity on 23 September 2015. Borrowing facilities of £80 million are committed to the Company until 23 September 2015.

Financial covenants contained within the loan agreement provide, inter alia, that the net assets to borrowings must exceed 3.5 to 1 (30 June 2015 – 9.4; 30 June 2014 – 12.2) and that net assets must exceed £185 million (30 June 2015 – £515.9 million; 30 June 2014 – £547.7 million). All financial covenants were met during the year and also during the period from the year end to the date of this report.

12. Called-up share capital	2015 Shares	2015 £'000	2014 Shares	2014 £'000
Allotted, called-up and fully-paid				
Ordinary shares of 25p each: publicly held	68,142,458	17,035	68,017,458	17,004
Ordinary shares of 25p each: held in treasury	451,000	113	451,000	113
	68,593,458	**17,148**	**68,468,458**	**17,117**

During the year there were no Ordinary shares repurchased (2014 – nil). No Ordinary shares were sold from the Treasury account (2014 – nil) and 125,000 (2014 – 925,000) new shares were allotted. All of these shares were sold at a premium to net asset value. The issue prices ranged from 748.0p to 774.0p and raised £950,000 (2014 – £7,130,000) net of expenses.

13. Retained earnings

Capital reserve	2015 £'000	2014 £'000
At 1 July 2014	475,429	427,762
Movement in investment holding gains	(37,603)	37,986
Gains on realisation of investments at fair value	5,300	11,534
Currency gains/(losses)	33	(105)
Finance costs of bank loan	(380)	(362)
Investment management fees	(1,396)	(1,386)
At 30 June 2015	**441,383**	**475,429**

Revenue reserve	2015 £'000	2014 £'000
At 1 July 2014	27,008	27,031
Revenue	22,572	20,689
Dividends paid	(21,240)	(20,712)
At 30 June 2015	**28,340**	**27,008**

14. Net asset value per share

The net asset value per Ordinary share and the net asset value attributable to the Ordinary shares at the year end were as follows:

	2015	2014
Net asset value attributable (£'000)	515,888	547,652
Number of Ordinary shares in issue (note 12)	68,142,458	68,017,458
Net asset value per share (p)	757.1	805.2

15. 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	(10,769)	69,490
Adjustments for:		
Losses/(gains) on investments	32,303	(49,520)
Currency (gains)/losses	(33)	105
Non cash stock dividend	(1,576)	(2,596)
Decrease in accrued income	335	651
(Increase)/decrease in other debtors	(4,774)	21
(Decrease)/increase in accruals	(365)	183
Net cash inflow from operating activities	**15,121**	**18,334**

16. Analysis of changes in net debt	At 1 July 2014 £'000	Cash flows £'000	Currency gains £'000	At 30 June 2015 £'000
Net cash:				
Cash	12,643	5,198	33	17,874
Debt:				
Debt due within one year	(45,000)	(10,000)	–	(55,000)
Net debt	**(32,357)**	**(4,802)**	**33**	**(37,126)**

17. **Financial instruments**

Risk management

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, liquid resources, 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 in the form of forward foreign currency contracts, futures and options, subject to Board approval, for the purpose of enhancing portfolio returns and for hedging purposes in a manner consistent with the Company's broader investment policy.

The following table shows the fair values of open positions in options at the year end, all recorded as liabilities in note 11, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	2015 Liabilities £'000	Gross £'000
British American Tobacco (Put)	34	1,878
Total	**34**	**1,878**

	2014 Liabilities £'000	Gross £'000
Associated British Foods (call)	26	1,616
AstraZeneca (call)	21	1,606
Close Brothers (call)	4	1,431
Inmarsat (put)	3	1,429
National Grid (call)	2	1,411
Nestle (call)	35	1,450
Standard Chartered (put)	55	1,325
Ultra Electronics (put)	–	3,133
Vodafone (put)	10	1,305
Total	**156**	**14,706**

The Board has delegated the risk management function to Aberdeen Fund Managers Limited ("AFML") under the terms of its management agreement with AFML (further details of which are included under note 3 and in the Directors' Report) however, it remains responsible for the risk and control framework and operation of third parties. The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

Risk management framework

The directors of Aberdeen Fund Managers Limited collectively assume responsibility for AFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

AFML is a fully integrated member of the Aberdeen Group, which provides a variety of services and support to AFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group CEO and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SWORD").

The Group's corporate governance structure is supported by several committees to assist the board of directors of Aberdeen, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described in the committees' terms of reference.

Risk management

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

In order to mitigate risk, the investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis. 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 Attribution Analysis, detailing the allocation of assets and the stock selection, is shown in the Performance Attribution table on page 9. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy. Current strategy is detailed in the Chairman's Statement on pages 6 and 7 in the sections headed "Performance", "Dividend" and "Outlook" and in the Investment Manager's Report on pages 8 to 11 in the sections headed "Background", "Performance", "Portfolio Activity and Structure", "Income" and "Outlook".

The Board has agreed the parameters for gearing, which was 7.2% of net assets as at 30 June 2015 (2014 – 5.9%). The Manager's policies for managing these risks are summarised below and have been applied throughout the current and previous year. The numerical disclosures in the tables listed below exclude short-term debtors and creditors.

Market risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out in the Company Summary on pages 1 and 2. Adherence to investment guidelines and to investment and borrowing powers set out in the management agreement mitigates the risk of exposure to any particular security or issuer. Further information on the investment portfolio is set out in the Investment Manager's Report on pages 8 to 11.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's operations. It represents the potential loss the Company might suffer through holding market positions as a consequence of price movements. It is the Board's policy to hold equity investments in the portfolio in a broad spread of sectors in order to reduce the risk arising from factors specific to a particular sector. A summary of investment changes during the year under review is on page 18 and an analysis of the equity portfolio by sector is on pages 16 and 17.

Interest rate risk

Interest rate movements may affect:

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

Management of the risk

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.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Financial assets

The interest rate risk of the portfolio of financial assets at the Statement of Final Position date was as follows:

	Floating rate		Non-interest bearing	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Euro	29	75	30,471	49,221
Sterling	17,815	12,440	453,091	469,936
Swedish Krona	–	75	20,538	18,138
Swiss Francs	20	53	26,087	27,380
US Dollars	10	–	17,152	13,831
Total	**17,874**	**12,643**	**547,339**	**578,506**

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

The non-interest bearing assets represent the equity element of the portfolio.

Financial liabilities

The Company has borrowings by way of a loan facility, details of which are in note 11. The fair value of this loan has been calculated at £55,000,000 as at 30 June 2015 (2014 – £45,000,000). The fair value of the loan equates to the cost as the loans are rolled over on a regular basis.

All other financial assets and liabilities of the Company are included in the Balance Sheet at their book value which in the opinion of the Directors is not materially different from their fair value.

Maturity profile

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

Assets	Within 1 year 2015 £'000	Within 1 year 2014 £'000
Floating rate		
Cash	17,874	12,643

Liabilities	Within 1 year 2015 £'000	Within 1 year 2014 £'000
Floating rate		
Revolving bank credit facility	55,000	45,000

All the other financial assets and liabilities do not have a maturity date.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant 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 before tax for the year ended 30 June 2015 and net assets would decrease/increase by £371,000 (2014 – decrease/increase by £324,000). This is mainly attributable to the Company's exposure to interest rates on its floating rate cash balances and borrowings.

Foreign currency risk

A proportion of the Company's investment portfolio is invested in overseas securities whose values are subject to fluctuation due to changes in foreign exchange rates. In addition, the impact of changes in foreign exchange rates upon the profits of investee companies can result, indirectly, in changes in their valuations. Consequently the Balance Sheet can be affected by movements in exchange rates.

Management of the risk

The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of denomination excluding other debtors and receivables and other payables falling due within one year:

	30 June 2015			30 June 2014		
	Investments £'000	Net monetary liabilities £'000	Total currency exposure £'000	Investments £'000	Net monetary liabilities £'000	Total currency exposure £'000
Euro	30,471	29	30,500	49,221	75	49,296
Sterling	453,091	(37,185)	415,906	469,936	(32,560)	437,376
Swedish Krona	20,538	–	20,538	18,138	75	18,213
Swiss Francs	26,087	20	26,107	27,380	53	27,433
US Dollars	17,152	10	17,162	13,831	–	13,831
Total	**547,339**	**(37,126)**	**510,213**	**578,506**	**(32,357)**	**546,149**

Foreign currency sensitivity

No sensitivity analysis has been included. Where the Company's equity investments (which are non-monetary items) are priced in a foreign currency, they have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

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.

Management of the risk

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process, as detailed in the section "Investment Policy" on page 3, 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.

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 June 2015 would have increased/decreased by £54,734,000 (2014 – £57,851,000).

Liquidity risk

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

Management of the risk

The Company's assets comprise readily realisable securities which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of committed loan and overdraft facilities.

As at 30 June 2015 the Company utilised £55,000,000 of a £80,000,000 (2014 – £45,000,000) revolving bank credit facility, which is committed until 23 September 2015. Interest is charged at a variable rate based on LIBOR plus a margin of 0.85% (2014 – margin 0.85%) for the relevant period of the advance. As at 30 June 2015 this rate was 1.36256% (2014 – 1.34469%) and the loan rolled over on 29 July 2015 (2014 – rolled on 31 July 2014). The aggregate of all future interest payments at the rate ruling at 30 June 2015 and the redemption of the loan amounted to £55,062,000 (2014 – £45,051,000).

Credit risk

This is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management of the risk

The risk is mitigated by the Investment Manager reviewing the credit ratings of broker counterparties. The risk attached to dividend flows is mitigated by the Investment Manager's research of potential investee companies. The Company's custodian bank is responsible for the collection of income on behalf of the Company and its performance is reviewed by the Board on a regular basis. It is the Manager's policy to trade only with A– and above (Long Term rated) and A–1/P–1 (Short Term rated) counterparties. The maximum credit risk at 30 June 2015 is £19,735,000 (30 June 2014 – £14,839,000) consisting of £1,861,000 (2014 – £2,196,000) of dividends receivable from equity shares and £17,874,000 (2014 – £12,643,000) in cash held.

None of the Company's financial assets are past due or impaired (2014 – £nil).

18. 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 shall have 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 liability, either directly (ie as prices) or indirectly (ie derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

For the year ended 30 June 2015

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	547,339	–	–	547,339
Financial liabilities at fair value through profit or loss					
Derivatives	b)	(34)	–	–	(34)
Net fair value		**547,305**	–	–	**547,305**

For the year ended 30 June 2014

	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	578,506	–	–	578,506
Financial liabilities at fair value through profit or loss					
Derivatives	b)	(156)	–	–	(156)
Net fair value		**578,350**	–	–	**578,350**

a) Quoted equities

The fair value of the Company's investments in quoted equities have been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Derivatives

The fair value of the Company's investments in exchange traded options has been determined using quoted prices on an exchange traded basis and therefore have been classed as Level 1.

19. Related party transactions and transactions with the Manager

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 33 to 35. The balance of fees due to Directors at the year end was £11,000 (2014 – £12,000).

The Company has agreements with Aberdeen Fund Managers Limited for the provision of management, secretarial, accounting and administration services and promotional activities. Details of transactions during the year and balances outstanding at the year end disclosed in notes 3 and 4.

20. Capital management policies and procedures

The investment objective of the Company is to achieve a high and growing income combined with capital growth through investment in a portfolio of UK and overseas equities.

The capital of the Company consists of debt, comprising bank loans, and equity, comprising issued capital, reserves and retained earnings. The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing which takes into account the Investment Manager's views on the market;
- the level of equity shares in issue;
- 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.

At the year end financial covenants contained within the loan agreement provide, inter alia, that the net assets to bank borrowings ratio must exceed 3.5 to 1 and that the net assets must exceed £185 million. As noted in greater detail in note 11 all financial covenants were met during the year and also during the period from the year end to the date of this report.

Information about the Investment Manager

Aberdeen Asset Managers Limited

The Investment Manager is a subsidiary of Aberdeen Asset Management PLC, whose group companies had approximately £307bn of assets under management as at 30 June 2015. Aberdeen Asset Management PLC manages assets on behalf of a wide range of clients including 55 investment trusts and other closed-ended funds, which have combined total assets of over £12.4bn.

Aberdeen Asset Management PLC has its headquarters in Aberdeen with its main investment centres in Bangkok, Budapest, Edinburgh, Hong Kong, Jersey, Kuala Lumpur, London, Paris, Philadelphia, Singapore, Sydney and Tokyo.

Aberdeen Asset Management PLC currently manages over £176bn of equities globally. As part of this, the Pan-European team oversee £4.6bn of UK equities and £1.5bn of European (ex UK) equities.

The Senior Investment Manager

Charles Luke
Senior Investment Manager

BA in Economics and Japanese Studies from Leeds University and an MSc in Business and Economic History from the London School of Economics. Joined Aberdeen's Pan European equities team in 2000. He previously worked at Framlington Investment Management.

The Investment Process

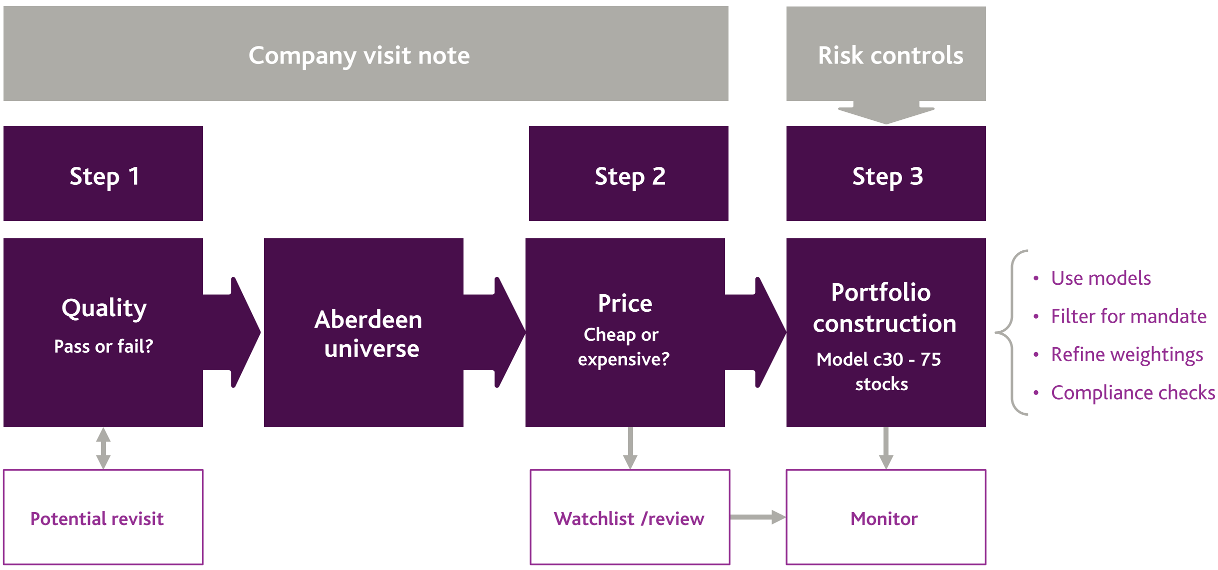
Philosophy and Style

The Manager's investment philosophy is that markets are not always efficient. We (AAM) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

AAM's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.



Promotional Strategy

Murray Income Trust PLC contributes to the promotional activities run by Aberdeen Asset Managers Limited ("AAM"), on behalf of a number of investment trusts under its management. The Company's contribution, which is matched by AAM, is £407,500 plus VAT, for the year ending 30 June 2015 (2014 - £479,000 plus VAT), and these arrangements are reviewed annually by the Board.

The purpose of the Promotional Strategy is to communicate effectively with existing shareholders and gain more new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. AAM's experience has also shown that well-targeted promotion of the Company's investment merits through packaged products, whether individually, or in conjunction with other trusts run by AAM, can be a cost-effective way of gaining new investors.

The Board is committed to a close monitoring of the Promotional Activities, their impact on the share price discount to NAV and the attraction of new buyers of the Company's shares to the benefit of share register diversification. The Aberdeen Group Head of Brand provides a written summary quarterly to the Board which analyses shareholder movements and the make-up of the share register. The Board is keen to continue to support AAM in communicating the long-term attractions of your Company.

The promotional activities include the following:

Investor Relations Programme

AAM runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month, institutional investors and prospects receive a Manager's report on the Company that includes detailed performance analysis.

Direct Response Advertising

The Manager advertises the packaged product availability of the Company in selected national press as well as the specialist financial titles.

Direct Mail

Periodic mailshots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other AAM investment trusts as well as known buyers of investment trusts.

Newsletter

The "Bulletin" newsletter, an informed commentary on markets and investment trusts managed by AAM, is distributed free of charge.

Public Relations

The Manager produces monthly manager reports on the Company and its performance. These are available to enquirers and investors through the Company's website and e-services. The Manager also conducts a media relations programme that keeps journalists informed about the Company and briefed on relevant topics around the investment policy. The programme also supports the relevant media through advertising of the Manager's plans which offer a convenient way to invest through the Aberdeen Investment Trust Share Plans or ISA (see pages 61 and 62).

Shareholder Services

AAM runs an investment help desk for retail enquirers and investors (see page 62 for contact details). Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Investment Trust Initiative is under the direction of AAM's Group Head of Brand who has extensive experience in investor relations and communications of investment products. He is supported by a team of promotional activity professionals.

Internet

The Company has a dedicated website: www.murray-income.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

Investors in the Share Plan and ISA can now use AAM's secure system to view their valuations and transact on their Plan accounts.

The Board is committed to a close monitoring of the Promotional Strategy. The Aberdeen Group Head of Brand provides a written summary quarterly to the Board.

If you have any questions about the Company, the Manager or performance, please telephone AAM's Investor Services Department on 0500 00 00 40 (free when dialling from a UK landline). Alternatively, internet users may e-mail us on inv.trusts@aberdeen-asset.com or write to us at 10 Queen's Terrace, Aberdeen AB10 1YG.

How to Invest in Murray Income Trust PLC

Direct

Investors can buy and sell the Company's shares directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan, Investment Trust ISA or ISA Transfer.

Suitable for Retail

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking a high and growing income combined with capital growth through investment in a portfolio principally of UK equities, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by Murray Income Trust PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments ("NMPIs").

The Company's shares are excluded from the FCA's restrictions which apply to NMPIs because they are shares in an investment trust.

Aberdeen's Investment Trust Share Plan

Aberdeen Asset Managers Limited ("AAM") runs a Share Plan (the "Plan") through which shares in Murray Income Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%). Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time.

Aberdeen's Investment Plan for Children

AAM runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management, including Murray Income Trust PLC. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%). Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Stocks and Shares ISA

An investment of up to £15,240 can be made into an ISA in the 2015/2016 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held under the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in AAM's Investment Trust Share Plan, Investment Plan for Children and Stocks and Shares ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000, and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise, and investors may not get back the amount they originally invested. As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread. Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Further Information

If investors would like details on Murray Income Trust PLC or information on the Children's Plan, Share Plan, ISA or ISA Transfers, please e-mail inv.trusts@aberdeen-asset.com or telephone 0500 00 00 40 or write to –

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB.

Details are also available on www.invtrusts.co.uk.

Terms and Conditions

Terms and conditions for AAM-managed savings products can also be found under the Literature section of our website at www.invtrusts.co.uk.

Literature Request Service

For literature and application forms for AAM's investment trust products, including the relevant terms and conditions, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

Keeping You Informed

The Company's share price appears under the heading 'Investment Companies' in the Financial Times, The Daily Telegraph and The Times.

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (www.murray-income.co.uk) and the TrustNet website (www.trustnet.co.uk). Alternatively, you can call 0500 00 00 40 for trust information.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers
Charles Stanley Direct
Halifax Share Dealing
Hargreave Hale
Hargreaves Lansdown
Idealing
Interactive Investor
Selftrade
Stocktrade
The Share Centre
TD Direct

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.thewma.co.uk

Financial Advisers

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:
Tel: 0800 111 6768 or at www.fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Investor Warning: Be alert to share fraud and boiler room scams

We have been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Asset Management or for third party firms. We have also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen. Aberdeen Asset Management does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our investor services centre using the details on our Contact Us page.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams:
http://www.fca.org.uk/consumers/scams

The information on pages 61 and 62 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Glossary of Terms and Definitions

Aberdeen or Aberdeen Group	Aberdeen Asset Management PLC group of companies.
AIC	The Association of Investment Companies.
AIFMD or the Directive	The Alternative Investment Fund Managers Directive - The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' (AIFs). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Call Option	An option contract which gives the buyer the right, but not the obligation, to purchase a specified amount of an asset at the strike price by a future specified date.
Closed-End Fund	A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.
Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
FCA	Financial Conduct Authority
Investment Trust	A type of Closed End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.
Leverage	For the purposes of the Alternative Investment Fund Managers 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 ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
Manager or AIFM or AFML	Aberdeen Fund Managers Limited ("AFML"), is a wholly owned subsidiary of Aberdeen Asset Management PLC and acts as the alternative investment fund manager ("AIFM") for the Company. AFML is authorised and regulated by the Financial Conduct Authority.
Net Asset Value	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing/Cash	Net gearing/cash is calculated by dividing total borrowings less cash or cash equivalents, by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.

Glossary of Terms and Definitions continued

Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Put Option	An option contract which gives the buyer the right, but not the obligation, to sell a specified amount of an asset at the strike price by a future specified date.
Total Assets	Total Assets as per the balance sheet less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes xd. The NAV Total Return involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned, eg quarter end, half year or year end date.
Voting Rights	In accordance with the Articles of Association of the Company, on a show of hands or on a poll, every member (or duly appointed proxy) present at a general meeting of the Company has one vote.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninety-second Annual General Meeting of Murray Income Trust PLC will be held at 12.30 pm on Wednesday 28 October 2015 in the Strathclyde Suite, Glasgow Royal Concert Hall, 2 Sauchiehall Street, Glasgow, G2 3NY for the purpose of considering and if thought fit passing the following resolutions, of which Resolutions 1 to 11 inclusive will be proposed as Ordinary Resolutions and Resolutions 12 and 13 will be proposed as Special Resolutions:–

1. To receive and adopt the Directors' Report, Auditor's Report and the audited financial statements for the year ended 30 June 2015.
2. To receive and adopt the Directors' Remuneration Report for the year ended 30 June 2015 (other than the Directors' Remuneration Policy).
3. To approve a final dividend of 11.00p per Ordinary share for the year ended 30 June 2015.
4. To re-elect Mr N Honebon* as a Director of the Company.
5. To re-elect Mr D Woods* as a Director of the Company.
6. To re-elect Ms J Park* as a Director of the Company.
7. To re-elect Mr D Cameron* as a Director of the Company.
8. To re-elect Mr N Rogan* as a Director of the Company.
9. To re-appoint Ernst & Young LLP as independent auditor of the Company.
10. To authorise the Directors to fix the remuneration of Ernst & Young LLP as independent auditor of the Company.

Authority to allot shares

11. THAT, in substitution of all existing powers, the Directors be and 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 Ordinary shares of 25p each in the capital of the Company ("shares") up to an aggregate nominal amount of £851,780 (representing 5 per cent. of the total Ordinary shares in issue as at the date of approval of this Notice (excluding treasury shares)) during the period expiring on the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on 31 December 2016, whichever is the earlier, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted after such expiry and the Directors shall be entitled to allot shares in pursuance of such an offer or agreement as if such authority had not expired.

Disapplication of pre-emption rights

12. THAT, subject to the passing of Resolution 11 proposed at the Annual General Meeting of the Company convened for 28 October 2015, and in substitution for all existing powers, the Directors be and are hereby empowered, pursuant to Section 570 of the Companies Act 2006 (the "Act"), to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority given in accordance with Section 551 of the Act by Resolution 11 or otherwise as if Section 561 of the Act did not apply to any such allotment and to sell or transfer equity securities if, immediately before the sale or transfer, such equity securities are held by the Company as treasury shares (as defined in Section 724(5) of the Act) as if Section 561 of the Act did not apply to any such sale or transfer, 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 31 December 2016, whichever is the earlier, but so that this power shall enable the Company to make offers or agreements which would or might require equity securities to be allotted or treasury shares to be sold or transferred after the expiry of this power and the Directors may allot equity securities or sell or transfer treasury shares in pursuance of any such offers or agreements as if this power had not expired;
   b) shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,703,561 (representing 10 per cent. of the total Ordinary shares in issue as at the date of approval of this Notice); and
   c) shall be limited in respect of the issue of shares or the sale of equity securities from treasury in the circumstances as detailed in the section headed "Authority to allot shares and disapply pre-emption rights" in the Directors' Report on page 24 of the Annual Report of the Company for the year ended 30 June 2015 and at a price not less than 0.5 per cent. above the net asset value per share (as determined by the Directors and excluding treasury shares).

Authority to make market purchases of shares

13. THAT the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("shares"):

PROVIDED ALWAYS THAT:

a) the maximum number of shares hereby authorised to be purchased shall be an aggregate of 10,214,554 Ordinary shares or, if less, the number representing 14.99 per cent. of the total Ordinary shares in issue as at the date of passing this resolution (excluding treasury shares);
b) the minimum price which may be paid for each share shall be 25p;
c) the maximum price (exclusive of expenses) which may be paid for a share is the higher of (i) 5 per cent. above the average of the middle market quotations for a share taken from, and calculated by reference to, the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased; or, in the case of a tender offer, the date the tender offer is announced; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out;
d) the authority hereby conferred shall expire on 31 December 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company unless such authority is previously varied, revoked or renewed prior to such time;
e) the Company may enter into a contract to purchase shares under the authority hereby conferred prior to the expiry of such authority and may purchase shares pursuant to any such contract notwithstanding such expiry above.

* The biographies of the Directors offering themselves for re-election are detailed on pages 20 and 21 of the Annual Report.

By order of the Board
Aberdeen Asset Management PLC
Secretary
7th Floor, 40 Princes Street
Edinburgh EH2 2BY

17 September 2015

Notes:

(i) A member entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him/her at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy, provided that each proxy is appointed to attend, speak and vote in respect of a different share or shares. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman of the meeting) and give instructions directly to them. A reply-paid form of proxy which may be used to make such appointment and give proxy instructions is enclosed. If you do not have a proxy form and believe that you should, or you would like to appoint more than one proxy, please contact the Company's Registrar, Capita Asset Services, on 0371 664 0300 (Calls cost 10p per minute plus network extras, lines are open 8.30am-5.30pm Mon-Fri). In the case of joint holders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

(ii) Forms of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Registrar, Capita Asset Services, The Registry, 34 Beckenham Road, Kent BR3 4TU, so as to arrive not less than 48 hours (excluding non-working days) before the time fixed for the meeting. You may only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

(iii) The return of a completed proxy form or other instrument of proxy will not prevent you attending the meeting and voting in person if you wish. If you wish to attend the meeting in person, a register of attendees will be available for signature at the meeting.

(iv) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and Section 311 of the Companies Act 2006, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than 48 hours (excluding non-working days) before the time fixed for the meeting (or in the event that the meeting be adjourned on the register of members 48 hours (excluding non-working days) before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than 48 hours (excluding non-working days) before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.

(v) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com/CREST. 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.

(vi) In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA10) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. 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 Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(vii) 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 message. 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(viii) 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.

(ix) 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.

(x) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.

(xi) The members of the Company may require the Company, without payment, to publish, on its website, a statement (which is also to be 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 your full name and address, and be sent to: The Company Secretary, Murray Income Trust PLC, 7th Floor, 40 Princes Street, Edinburgh EH2 2BY.

(xii) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.

(xiii) Information regarding the Annual General Meeting, including information required by section 311A of the Companies Act 2006, is available from the Company's website, www.murray-income.co.uk.

(xiv) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

b) the answer has already been given on a website in the form of an answer to a question; or

c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

(xv) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of Annual General Meeting 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.

(xvi) As at 10 September 2015, the latest practicable date prior to publication of this document, the Company had 68,142,458 Ordinary shares in issue with a total of 68,142,458 voting rights.

Corporate Information

Directors

N A Honebon (Chairman)
D E Woods (Senior Independent Director)
J C Park (Chairman of the Audit Committee)
D A J Cameron
N A H Rogan

Registered Office

7th Floor, 40 Princes Street
Edinburgh EH2 2BY
Registered in Scotland – Company Number SC012725

Website

www.murray-income.co.uk

United States Internal Revenue Service FATCA Registration Number (GIIN)

8Q8ZFE.99999.SL.826

Alternative Investment Fund Manager

Aberdeen Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority

Investment Manager

Aberdeen Asset Managers Limited
Authorised and regulated by the Financial Conduct Authority

Secretary

Aberdeen Asset Management PLC
Customer Services Department: 0500 00 00 40
(Lines are open 9am-5pm from Monday to Friday)
Email: company.secretary@invtrusts.co.uk

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel: 0371 664 0300
(Calls cost 10p per minute plus network extras, lines are open 8.30am - 5.30pm from Monday to Friday)
Tel International: (+44 208 639 3399)

e-mail: ssd@capitaregistrars.com
website: www.capitaregistrars.com

Depositary and Custodian

BNP Paribas Securities Services, London Branch
55 Moorgate
London EC2R 6PA

Auditor

Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ

Solicitors

Dickson Minto W.S.
16 Charlotte Square
Edinburgh EH2 4DF

Stockbroker

Canaccord Genuity
88 Wood Street
London EC2V 7QR

Your Company's History

Issued Share Capital at 30 June 2015 and 10 September 2015

68,142,458	Ordinary shares of 25p with voting rights
451,000	Ordinary shares held in treasury

Recent Capital History

Year ended 30 June 2015	125,000 new Ordinary shares issued by the Company
Year ended 30 June 2014	925,000 new Ordinary shares issued by the Company
Year ended 30 June 2013	466,000 Ordinary shares sold by the Company from treasury 1,127,000 new Ordinary shares issued by the Company
Year ended 30 June 2012	810,000 Ordinary shares sold by the Company from treasury

Alternative Investment Fund Managers Directive Disclosures

Aberdeen and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which may be found on the Company's website:- www.murray-income.co.uk

There have been no material changes to the disclosures contained within the PIDD since its initial publication in July 2014.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report on pages 1 to 13, Note 17 to the Financial Statements and the PIDD, together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by Aberdeen Fund Managers Limited ("the AIFM");
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company's Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 69. The numerical remuneration in the disclosures in respect of the AIFM's first relevant reporting period (year ended 30 September 2015) will be made available in due course).

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 March 2015	1.17:1	1.20:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which the AIFM may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

FSC
www.fsc.org
MIX
Paper from
responsible sources
FSC® C005739