11

Shires Income PLC

Half Yearly Report
for the 6 months ended 30 September 2011

Aberdeen

Contents

1 Highlights, Performance and Financial Calendar
2 Interim Board Report
4 Investment Portfolio – Ordinary Shares
5 Investment Portfolio - Other Investments
6 Distribution of Assets and Liabilities
6 Analysis of Listed Equity Portfolio
7 Consolidated Statement of Comprehensive Income
8 Consolidated Balance Sheet
9 Consolidated Statement of Changes in Equity
10 Consolidated Cash Flow Statement
11 Notes to the Accounts
13 How to Invest in Shires Income PLC
14 Corporate Information

Objective

The Company aims to provide shareholders with a high level of income, together with growth of both income and capital from a portfolio substantially invested in UK equities.

Highlights, Performance and Financial Calendar

Highlights

	30 September 2011	31 March 2011	% change
Equity shareholders' funds (£'000)	**51,731**	58,733	–11.9
Net asset value per share	**174.19p**	197.77p	–11.9
Share price (mid market)	**176.00p**	190.00p	–7.4
Premium/(discount) to adjusted NAV[A]	**2.8%**	(0.9%)	
Dividend yield	**6.82%**	6.32%	

[A] Based on IFRS NAV above reduced by dividend adjustment of 3.00p (31 March 2011 – 6.00p).

Performance (total return)

	6 months ended 30 September 2011	1 year ended 30 September 2011	3 years ended 30 September 2011	5 years ended 30 September 2011
Net asset value	**–9.2%**	–1.6%	+16.0%	–17.4%
Share price	**–4.5%**	–1.0%	+31.8%	–12.5%
FTSE All-Share Index	**–11.8%**	–4.4%	+19.2%	+4.0%

All figures are for total return and assume re-investment of net dividends excluding transaction costs.

Financial Calendar

November 2011	Announcement of unaudited half yearly results for the six months ended 30 September 2011
31 January 2012	Second interim dividend 2011/12 payable
30 April 2012	Third interim dividend 2011/12 payable
June 2012	Announcement of results for year ending 31 March 2012
June 2012	Annual Report posted to shareholders
19 July 2012	Annual General Meeting in London (12 noon)
31 July 2012	Fourth interim dividend 2011/12 payable

Interim Board Report

Background

Markets started the year in a positive manner as investors focussed more on the potential for ongoing recovery than on the growing macroeconomic threats. This was evident in the performance of the FTSE 100 Index which crossed through the 6000 level for just the fourth time since September 2008. However, by the start of May confidence had begun to wane as investors worried about the high oil price and the Japanese earthquake. Equities began a decline that continued throughout the period.

In Europe the Central Bank put further pressure on the struggling peripheral economies as it raised interest rates and indicated it may raise them further. Growth in the UK was disappointing and inflation was well above target. In the US there was a developing debt crisis as the politicians failed to agree a path for future reductions in indebtedness. Although this dispute was eventually resolved it resulted in Standard & Poor's downgrading their rating.

As the Western economies struggled to deliver the growth necessary to allow them to reduce their debt burden it was hoped that the Asian countries would provide an engine for international growth. Such expectations were dealt a blow when it became apparent that whilst still strongly positive, growth in China was beginning to slow. This combined with a strengthening US$ resulted in a sharp fall in commodity prices.

By the second quarter of the financial year the risk of a double dip recession was vexing various international authorities. In the US the Federal Reserve announced further measures to support the economy in the form of "Operation Twist" and also announced that interest rates would be held near to zero until 2013. In the EU the European Central Bank hinted that recent interest rate increases may have to be reversed. Meanwhile the UK Monetary Policy Committee raised the possibility of further stimulatory activity.

Clearly such an environment is not positive for equity markets. However, the most significant issue affecting investors was the developing European debt crisis. Whilst there has been a series of measures designed to provide reassurance that the members of the Euro would provide a bailout for Greece in the event of default, these have proven insufficient to calm investors. They are focussing on the potential for contagion and the risk that this could spread not just through the peripheral Countries but into the core of the region. Concern is mounting for Italy and Spain and in particular their reliance on sovereign debt. It should be noted that the Company holds no direct investments in Euro denominated stocks.

Investment Performance

In the half year ended 30 September 2011, the Company's net assets per share decreased by 11.9% from 197.8p to 174.2p. The total return on net assets, which includes dividends, decreased by 9.2%, which during the period was ahead of our benchmark, (the FTSE All-Share Index) which reported a total return of -11.8%. The total return of the Company's share price was -4.5% helped by the discount narrowing from 0.9% to a premium of 2.8% over the half year.

Portfolio Profile

Two new companies were introduced during the period. Experian is a provider of credit monitoring and related activities and Compass a global contract catering and food service business. The portfolio benefitted from the acquisition of Chaucer by Hanover.

Profits were taken in a number of businesses that had performed well. These included Weir Group, Provident Financial and British American Tobacco. The holding in Millennium & Copthorne was sold. The proceeds were re-invested into companies that had underperformed or had attractive yields. Amongst these were BHP Billiton, Morrisons, Prudential and Royal Dutch Shell.

There has been no significant change to the overall allocations in the portfolio. At the end of September 2011 approximately two thirds of the gross assets were invested in equities with the balance being in preference shares, convertibles and cash. No new investments were made in preference or convertible shares during the period.

Dividends

At the time of the announcement of the full year results for the year to 31 March 2011, the Board indicated that in the absence of unforeseen events they anticipated being able to maintain the dividend at 12p per share during this financial year. It remains the case that such a distribution is likely to require the utilisation of a modest amount of the Company's reserves.

The outlook for dividends has been improving. During this half year there were 15 companies in the portfolio that raised their dividends by more than 10%. It should be remembered though, that despite some very significant headline increases many of these were coming from very low bases. In addition there were two companies, BP and Persimmon that returned to the dividend list. The Company held no companies that found it necessary to cut their dividends. It is worth noting however that despite the successes of the first half it is only prudent to anticipate a slower rate of dividend growth during the second half and into 2012.

Outlook

It seems probable that 2012 will be a more difficult year for many companies. Growth is slowing and the benefits experienced in the initial stages of a recovery have largely been seen. Those businesses that are exposed to consumer or more general discretionary expenditure or those that lack pricing power are likely to find that it is difficult to deliver sales growth. At the same time margins may well come under pressure given they are typically already at peak levels.

There are though reasons to be optimistic. Most UK based companies generate a significant proportion, in some cases a majority, of their sales from overseas thus reducing their reliance on UK public and private sector spending. In aggregate corporate balance sheets are less leveraged than they have been for many years, therefore companies should be better able to cope with a more difficult environment. Perhaps the most supportive factor for equities is their valuations. In the UK equities appear attractively valued relative both to other asset classes, overseas equities and historical multiples. Whilst it is true that analysts' forecasts have probably not yet factored in a material slowing of growth, equity prices increasingly seem to be doing so.

Regardless of the performance of the economy the markets will be impacted by the ongoing credit crisis on the Continent. The impact of a disorderly default by Greece accompanied by cross border and institutional contagion would be materially more severe than a second slowdown or even recession. For this reason it is imperative that the respective authorities deliver a credible resolution to the current situation.

In the meantime your Manager will continue to invest in companies that they believe have quality business models capable of delivering growth in profits and dividends over the medium term.

Anthony B. Davidson
Chairman
14 November 2011

Principal Risks and Uncertainties

The main risks the Company faces from its financial instruments are (i) market price risk (comprising interest rate risk, currency risk and other price risk), (ii) liquidity risk, and (iii) credit risk. The Group's gearing comprises short-term borrowings from banking institutions and bears interest at floating rates. The profile of financing costs is managed as part of overall investment strategy. The current loan expires in February 2013. The employment of gearing magnifies the impact on net assets of both negative and positive changes in the value of the Company's portfolio of investments. The Company has minimal exposure to foreign currency risk as it holds only a small amount of foreign currency assets and has no exposure to any foreign currency liabilities. Information on each of these areas is given in the Directors' Report within the Annual Report and Accounts for the year ended 31 March 2011.

Going Concern

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if necessary. The Board considers that the Group has adequate financial resources to continue in operational existence for the foreseeable future.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report, in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of interim financial statements within the Half-Yearly Financial Report have been prepared in accordance with IAS34;
- the Chairman's Statement (constituting the interim management report) includes a fair review of the information required by rules 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last annual report that could so do.)

The Half-Yearly Financial Report for the six months ended 30 September 2011 comprises the Interim Board Report, the Directors' Responsibility Statement and a condensed set of financial statements.

For and on behalf of the Board of Shires Income PLC

Anthony B. Davidson
Chairman
14 November 2011

Investment Portfolio – Ordinary Shares

As at 30 September 2011

Company	Valuation 2011 £'000	Total portfolio %
Aberdeen Smaller Companies High Income Trust	4,220	6.2
British American Tobacco	3,301	4.9
Royal Dutch Shell 'B'	2,764	4.1
Vodafone	2,534	3.7
Centrica	2,290	3.4
GlaxoSmithKline	2,213	3.3
National Grid	1,979	2.9
AstraZeneca	1,824	2.7
BP	1,667	2.5
Unilever	1,599	2.4
Ten largest investments	**24,391**	**36.1**
HSBC Holdings	1,496	2.2
Tesco	1,482	2.2
BHP Billiton	1,416	2.1
Chesnara	1,353	2.0
Provident Financial	1,315	1.9
Prudential	1,266	1.9
Rolls-Royce	1,184	1.7
Aviva	1,124	1.7
Close Brothers	1,124	1.7
Morrison (Wm.)	1,023	1.5
Twenty largest investments	**37,174**	**55.0**
Whitbread	993	1.5
Land Securities	964	1.4
Pearson	775	1.1
Associated British Foods	744	1.1
Cobham	711	1.1
Schroders (Non-voting)	710	1.0
Standard Chartered	696	1.0
AMEC	652	1.0
GKN	628	0.9
Weir Group	573	0.8
Thirty largest investments	**44,620**	**65.9**
Daily Mail & General Trust	512	0.8
Experian	471	0.7
Compass	458	0.7
Mothercare	397	0.6
Persimmon	109	0.2
Rio Tinto	87	0.1
Total Ordinary shares	**46,654**	**69.0**

Investment Portfolio - Other Investments

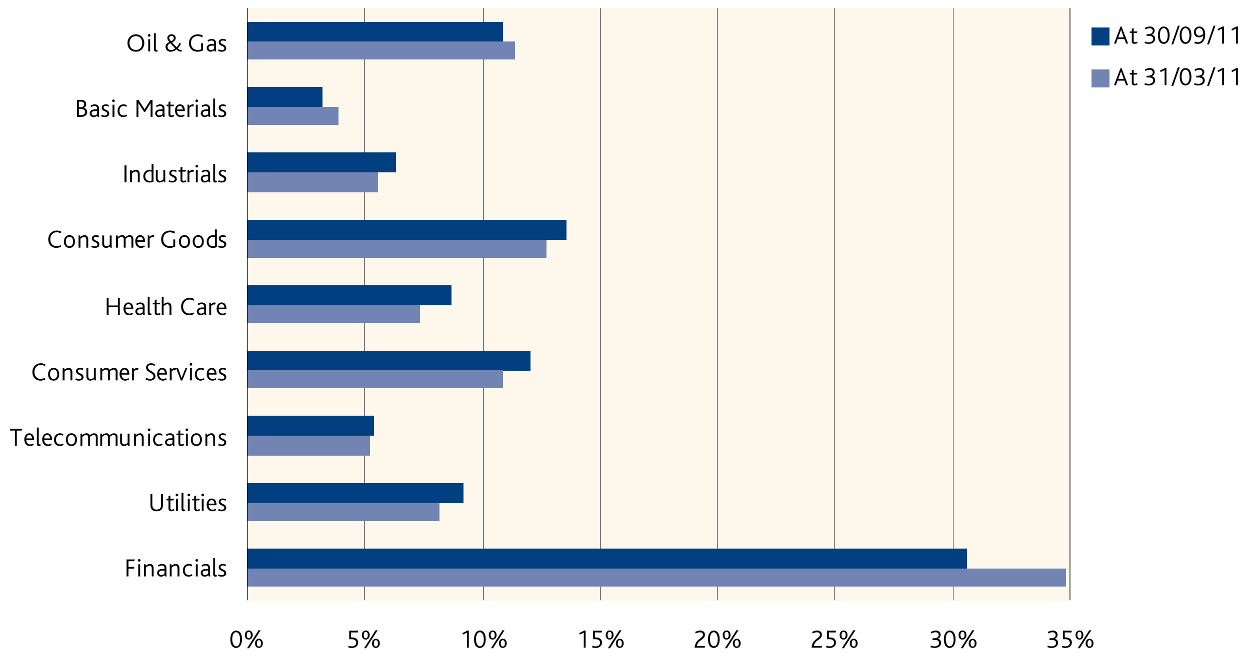
Company	Valuation 2011 £'000	Total portfolio %
Convertibles		
Premier Farnell 89.2p Cum Conv	675	1.0
Balfour Beatty Cum Conv 10.75%	620	0.9
Total Convertibles	**1,295**	**1.9**
Preference shares		
Ecclesiastical Insurance Office 8 5/8%	4,558	6.7
Royal & Sun Alliance 7 3/8%	4,045	6.0
General Accident 7.875%	3,229	4.8
Standard Chartered 8.25%	2,909	4.3
Santander 10.375%	2,567	3.8
Barclays Bank 14%	1,371	2.0
REA Holdings 9%	1,011	1.5
Total Preference shares	**19,690**	**29.1**
Total other investments	**20,985**	**31.0**
Total investments	**67,639**	**100.0**

All other investments are listed on the London Stock Exchange (Sterling based).

Distribution of Assets and Liabilities

	Valuation at 31 March 2011 £'000	%	Movement during the period Purchases £'000	Sales £'000	Other £'000	Gains/ (losses) £'000	Valuation at 30 September 2011 £'000	%
Listed investments								
Ordinary shares	51,693	88.0	2,522	(2,215)	–	(5,346)	46,654	90.2
Convertibles	1,329	2.2	–	–	–	(34)	1,295	2.5
Preference shares	21,295	36.3	–	–	(65)	(1,540)	19,690	38.1
	74,317	126.5	2,522	(2,215)	(65)	(6,920)	67,639	130.8
Current assets	3,120	5.3					2,799	5.4
Current liabilities	(18,704)	(31.8)					(18,707)	(36.2)
Net assets	**58,733**	**100.0**					**51,731**	**100.0**
Net asset value per Ordinary share	**197.8p**						**174.2p**	

Analysis of Listed Equity Portfolio



Note: Financials include the Company's investment in Aberdeen Smaller Companies High Income Trust

Consolidated Statement of Comprehensive Income

		Six months ended 30 September 2011 (unaudited)			Six months ended 30 September 2010 (unaudited)			Year ended 31 March 2011 (audited)		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(Losses)/gains on investments at fair value		–	(6,921)	(6,921)	–	703	703	–	4,012	4,012
Net currency gain		–	–	–	–	–	–	–	9	9
Investment income										
Dividend income		1,732	–	1,732	1,673	–	1,673	3,176	–	3,176
Interest income from investments		402	(63)	339	410	(136)	274	761	(129)	632
Stock dividend		19	–	19	18	–	18	31	–	31
Traded option premiums		121	–	121	55	–	55	160	–	160
Deposit interest		–	–	–	–	–	–	1	–	1
Money market interest		5	–	5	2	–	2	6	–	6
Other income		–	–	–	6	–	6	18	–	18
		2,279	(6,984)	(4,705)	2,164	567	2,731	4,153	3,892	8,045
Expenses										
Investment management fees		(80)	(79)	(159)	(75)	(75)	(150)	(156)	(155)	(311)
VAT recoverable on investment management fees		–	–	–	–	–	–	10	11	21
Other administrative expenses		(142)	–	(142)	(155)	–	(155)	(304)	–	(304)
Finance costs of borrowings		(93)	(94)	(187)	(179)	(179)	(358)	(363)	(363)	(726)
		(315)	(173)	(488)	(409)	(254)	(663)	(813)	(507)	(1,320)
Profit/(loss) before tax		1,964	(7,157)	(5,193)	1,755	313	2,068	3,340	3,385	6,725
Taxation	2	(54)	54	–	(14)	14	–	(48)	48	–
Profit/(loss) attributable to equity holders of the Company	3	**1,910**	**(7,103)**	**(5,193)**	**1,741**	**327**	**2,068**	**3,292**	**3,433**	**6,725**
Earnings/(loss) per Ordinary share (pence)	4	**6.43**	**(23.92)**	**(17.49)**	**5.86**	**1.10**	**6.96**	**11.09**	**11.55**	**22.64**

The Company does not have any income or expense that is not included in profit/(loss) for the period, and therefore the profit/(loss) for the period is also the "Total comprehensive income for the period", as defined in IAS 1 (revised).

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of the parent company. There are no minority interests.

The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All items in the above statement derive from continuing operations.

During the period the Company's two subsidiary undertakings, Topshire Limited and Wiston Investment Company Limited were formally dissolved.

Consolidated Balance Sheet

	Note	As at 30 September 2011 (unaudited) £'000	As at 30 September 2010 (unaudited) £'000	As at 31 March 2011 (audited) £'000
Non-current assets				
Ordinary shares		46,654	47,993	51,693
Convertibles		1,295	1,328	1,329
Other fixed interest		19,690	21,686	21,295
Unlisted investments		–	283	–
Securities at fair value		67,639	71,290	74,317
Current assets				
Trade and other receivables		–	–	53
Accrued income and prepayments		723	1,030	1,086
Cash and cash equivalents		2,076	1,718	1,981
		2,799	2,748	3,120
Total assets		70,438	74,038	77,437
Current liabilities				
Trade and other payables		(207)	(180)	(204)
Short-term borrowings		(18,500)	(18,000)	(18,500)
		(18,707)	(18,180)	(18,704)
Net assets		**51,731**	**55,858**	**58,733**
Share capital and reserves attributable to equity holders of the parent				
Called-up share capital		14,899	14,899	14,899
Share premium account		18,840	18,840	18,840
Capital reserve	5	12,070	16,010	19,116
Revenue reserve		5,922	6,109	5,878
		51,731	**55,858**	**58,733**
Net asset value per Ordinary share (pence)		**174.19**	**188.09**	**197.77**

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

Consolidated Statement of Changes in Equity

Six months ended 30 September 2011 (unaudited)

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2011		14,899	18,840	19,116	5,878	58,733
Dissolution of Subsidiary		–	–	57	(85)	(28)
Revenue profit for the period		–	–	–	1,910	1,910
Capital losses for the period		–	–	(7,103)	–	(7,103)
Equity dividends	3	–	–	–	(1,781)	(1,781)
As at 30 September 2011		**14,899**	**18,840**	**12,070**	**5,922**	**51,731**

Six months ended 30 September 2010 (unaudited)

		Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2010		14,899	18,840	15,683	6,151	55,573
Revenue profit for the period		–	–	–	1,741	1,741
Capital gains for the period		–	–	327	–	327
Equity dividends	3	–	–	–	(1,783)	(1,783)
As at 30 September 2010		**14,899**	**18,840**	**16,010**	**6,109**	**55,858**

Year ended 31 March 2011 (audited)

		Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2010		14,899	18,840	15,683	6,151	55,573
Revenue profit for the year		–	–	–	3,292	3,292
Capital gains for the year		–	–	3,433	–	3,433
Equity dividends	3	–	–	–	(3,565)	(3,565)
As at 31 March 2011		**14,899**	**18,840**	**19,116**	**5,878**	**58,733**

Consolidated Cash Flow Statement

	Six months ended 30 September 2011 (unaudited) £'000	Six months ended 30 September 2010 (unaudited) £'000	Year ended 31 March 2011 (audited) £'000
Cash flows from operating activities			
Investment income received	2,514	2,228	3,871
Deposit interest received	–	–	1
Money market interest received	5	2	6
Investment management fee paid	(163)	(151)	(309)
Sales of dealing subsidiary	–	–	21
Other cash receipts	139	152	60
Other cash expenses	(182)	(160)	(276)
Cash generated from operations	2,313	2,071	3,374
Interest paid	(191)	(268)	(558)
Taxation	(1)	–	1
Net cash inflows from operating activities	2,121	1,803	2,817
Cash flows from investing activities			
Purchases of investments	(2,480)	(2,008)	(4,295)
Sales of investments	2,235	4,556	7,365
Net cash (outflow)/inflow from investing activities	(245)	2,548	3,070
Cash flows from financing activities			
Equity dividends paid	(1,781)	(1,783)	(3,565)
Net cash outflow from financing activities	(1,781)	(1,783)	(3,565)
Net increase in cash and cash equivalents	95	2,568	2,322
Cash and cash equivalents at start of period	(16,519)	(18,850)	(18,850)
Effect of currency gains	–	–	9
Cash and cash equivalents at end of period	**(16,424)**	**(16,282)**	**(16,519)**
Cash and cash equivalents comprise:			
Cash and cash equivalents	2,076	1,718	1,981
Short-term borrowings	(18,500)	(18,000)	(18,500)
	(16,424)	**(16,282)**	**(16,519)**

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 34 – 'Interim Financial Reporting', as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). They have also been prepared using the same accounting policies applied for the year ended 31 March 2011 financial statements, which received an unqualified audit report.

(b) Dividends payable

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

(c) During the period the Company's two subsidiary undertakings, Topshire Limited and Wiston Investment Company Limited were formally dissolved.

2. Taxation

The taxation expense reflected in the Statement of Comprehensive Income is calculated at a rate of 26%, which is based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

3. Dividends

The following table shows the revenue for each period less the dividends declared in respect of the financial period to which they relate.

	Six months ended 30 September 2011 £'000	Six months ended 30 September 2010 £'000	Year ended 31 March 2011 £'000
Revenue	1,910	1,741	3,292
Dividends declared	(891)[A]	(891)[B]	(3,564)[C]
	1,019	**850**	**(272)**

[A]First interim dividend (3.00p) declared in respect of the financial year 2011/12.

[B]First interim dividend (3.00p) declared in respect of the financial year 2010/11.

[C]First three interim dividends (each 3.00p) and the final dividend (3.00p) declared in respect of the financial year 2010/11.

4. Return and net asset value per share	Six months ended 30 September 2011	Six months ended 30 September 2010	Year ended 31 March 2011
Returns are based on the following attributable assets:			
	£'000	£'000	£'000
Revenue return	1,910	1,741	3,292
Capital return	(7,103)	327	3,433
Total return	**(5,193)**	**2,068**	**6,725**
Weighted average number of Ordinary shares in issue	**29,697,580**	**29,697,580**	**29,697,580**

The net asset value per Ordinary share is based on net assets attributable to Ordinary shareholders of £51,731,000 (30 September 2010 – £55,858,000; 31 March 2011 – £58,733,000) and on 29,697,580 (30 September 2010 and 31 March 2011 – 29,697,580) Ordinary shares in issue at the period end.

5. Capital reserve

The capital reserve reflected in the Balance Sheet at 30 September 2011 includes losses of £3,226,000 (30 September 2010 – gains of £966,000; 31 March 2011 – gains of £3,870,000) which relate to the revaluation of investments held at the reporting date.

6. Transaction costs

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

	Six months ended 30 September 2011 £'000	Six months ended 30 September 2010 £'000	Year ended 31 March 2011 £'000
Purchases	13	6	24
Sales	2	12	8
	15	**18**	**32**

7. Commitments, contingencies and post Balance Sheet events

At 30 September 2011 there were no contingent liabilities in respect of outstanding underwriting commitments or uncalled capital (30 September 2010 and 31 March 2011 – £nil).

8. The financial information contained in this Half–Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2011 and 30 September 2010 has not been audited.

The information for the year ended 31 March 2011 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498 (2), (3) or (4) of the Companies Act 2006.

This report has not been reviewed or audited by the Company's auditor.

9. This Half-Yearly Financial Report was approved by the Board on 14 November 2011.

How to Invest in Shires Income PLC

Direct

Investors can buy and sell shares in Shires Income PLC (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("AAM") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. 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%) on entry. 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.

Aberdeen's Investment Trust Share Plan

AAM runs a Share Plan (the "Plan") through which shares in the Company 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%) on entry. 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. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £10,680 in the Company can be made in the tax year 2011/2012.

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. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer the management of previous tax year investments to AAM for investment in the Company while retaining your ISA wrapper. The minimum lump sum transfer is £1,000, 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.

Keeping You Informed

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.shiresincome.co.uk) and the TrustNet website (www.trustnet.co.uk). You can also call 0500 00 00 40 for information.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:
Telephone: 0500 00 40 00
Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:
Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex, CM99 2DB
Telephone: 0500 00 00 40

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Services Authority

Corporate Information

Directors
Anthony B Davidson
Mervyn D Couve
David P Kidd
Andrew Robson

Manager
Aberdeen Asset Managers Limited
40 Princes Street
Edinburgh EH2 2BY

Secretary
Aberdeen Asset Management PLC
40 Princes Street
Edinburgh EH2 2BY

Registered Office
Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH

Company Registration Number
386561 (England)

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone enquiries: 0871 384 2508
Shareview dealing helpline: 0871 384 2020
Textel/Hard of hearing line: 0871 384 2255
Fax: 0871 384 2100
Tel International: (+44 121 415 7047)

(Calls to Equiniti using the above numbers are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.)

Solicitors
Maclay Murray & Spens LLP

Auditors
KPMG Audit Plc

Stockbroker
J.P. Morgan Cazenove Limited

Website
www.shiresincome.co.uk

Aberdeen