Shires Income PLC

Half Yearly Report
for the six months ended 30 September 2013

Contents

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 2013	31 March 2013	% change
Equity shareholders' funds (£'000)	70,883	70,306	+0.8
Net asset value per share	236.30p	234.37p	+0.8
Share price (mid-market)	232.00p	233.00p	–0.4
(Discount)/premium to adjusted NAV[A]	(0.56)%	2.0%	
Dividend yield	5.17%	5.15%	

[A] Based on IFRS NAV above reduced by dividend adjustment of 3.00p (31 March 2013 – 6.00p).

Performance (total return)

	6 months ended 30 September 2013	1 year ended 30 September 2013	3 years ended 30 September 2013	5 years ended 30 September 2013
Net asset value	+3.5%	+24.1%	+50.7%	+77.5%
Share price	+2.2%	+17.3%	+47.4%	+96.1%
FTSE All-Share Index	+3.8%	+18.9%	+33.4%	+66.2%

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

Financial Calendar

November 2013	Announcement of unaudited half yearly results for the six months ended 30 September 2013
31 January 2014	Second interim dividend 2013/14 payable
30 April 2014	Third interim dividend 2013/14 payable
May 2014	Announcement of results for year ending 31 March 2014
June 2014	Annual Report posted to shareholders
3 July 2014	Annual General Meeting in London (12 noon)
31 July 2014	Fourth interim dividend 2013/14 payable

Interim Board Report

Background

The year started well with markets continuing to rise and by May they had posted 12 consecutive months of positive returns. Indeed the FTSE All-Share surpassed the peak achieved in 2007 just prior to the onset of the financial crisis.

Three themes had become evident by the tail end of the Spring. First, growth in emerging markets was beginning to slow leading to sizable declines in commodity prices and the shares of mining companies. Secondly, investors were increasingly focussing on the relative price discrepancy between fixed income and equities. This led to much discussion about the possible onset of a "great rotation" from one asset class to the other. Thirdly, capital markets had returned to life and there was a marked acceleration in both IPO and secondary market activity.

Economic news flow continued to follow a well-established path. Europe remained in recession and the ECB has twice cut interest rates reducing them to 0.25%, their lowest ever level. The US enjoyed an ongoing recovery as evidenced by employment and housing data and the UK was bumping along, avoiding recession but delivering minimal growth.

Appetite for risk was increasing as investors' attention was diverted from the European sovereign debt crisis and towards the potential for recovery. Consequently, share prices were advancing more rapidly than expectations for earnings growth as valuation multiples expanded.

June witnessed an abrupt *volte face* in equity market performance, as a new word, tapering, entered the investment vocabulary. Ben Bernanke commented that if the US economy were to continue to improve he could envisage a situation whereby the Federal Reserve might be able to reduce some of the current stimulus packages. Such a statement should have been taken as good news, but instead investors worried about the removal of such stimulus. Treasury and gilt yields began to rise and emerging market currencies fell steeply. This allied with the ongoing slowdown in these countries led to weakness in the share prices of businesses with emerging market exposures. The FTSE 100 fell by 11% peak to trough over the second quarter.

July was a much stronger month. The most notable event was the installation of Mark Carney as Governor of the Bank of England. He was clear that he did not believe an increase in interest rates was necessary. In an effort to demonstrate to markets that rates would remain low for the foreseeable future he changed the existing Government mandated target and explicitly tied them to the level of unemployment as well as inflation expectations.

The half year finished with markets broadly flat relative to where they had started the period. The US recovery continued, albeit a reduction in growth expectations led investors to conclude that tapering would be delayed. The economy in the UK picked up and Europe delivered growth of 0.3% during the second quarter.

Investment Performance

In the half year ended 30 September 2013, the Company's net assets per share increased by 0.8% from 234.37p to 236.30p. The total return on net assets, which includes dividends, increased by 3.5%, which during the period was slightly behind our benchmark, the FTSE All-Share Index, which reported a total return of 3.8%. The total return of the Company's share price was 2.2% and the share premium decreased during the six months to a discount of 0.56%.

Portfolio Profile

One new company was introduced during the period. Inmarsat operates a global communications satellite array, and is benefitting from the growth in demand for both voice and high speed data services. The finite supply of orbital slots provides a significant barrier to entry.

Two holdings were exited over the period. Aviva was sold as your Manager increased the focus on the holding in Prudential where the emerging market operations provide a greater growth opportunity. Whitbread was sold as the very strong appreciation in the share price reduced the attractions of the dividend yield. In both cases the sale was conducted through the writing and subsequent exercise of call options. Such activity allowed the Company to increase both the price it secured for the holdings and the revenue it generated.

The weakness in markets during the middle of the half year saw a number of companies experience share price declines; this was particularly the case for businesses with emerging market operations. This provided an opportunity to top up a range of holdings, including HSBC, BHP Billiton and Standard Chartered.

Net gearing has declined slightly from 22.8% to 22.0%; there has been no significant change to the overall allocations in the portfolio. Equities represent approximately 72% of gross assets with the remainder comprised of preference shares, convertibles and cash. No new investments were made in preference shares or convertibles during the period.

Investment Income

At the time of the annual results I commented that following a period of strong growth in dividends received by the Company it was likely that such progression would slow. It remains the case that dividend growth should be expected to reflect more closely earnings growth in the future. However, during the half year the Company has benefited from some sizable dividend increases; indeed 16 holdings have increased their payouts by more than 10%. No companies cut their distributions and just three made no increase. It should be remembered though that dividends are one component of total return and it is reasonable to expect that the largest increases in percentage terms will come from lower yielding holdings.

Outlook

There are some positive factors with a recovery coming through in the US and UK. Indeed, some of the data for the UK is as positive as it has been since 2006 and growth expectations have recently been revised upwards. There are signs that construction activity is picking up and that would normally presage a broader recovery. In Europe there has been a pick-up in growth and sentiment is improving as some of the peripheral nations, such as Spain, appear to be stabilising. This is manifesting itself in the rising share prices of many more cyclical and arguably lower quality companies. The slowdown in emerging markets is clearly unhelpful. However, attention needs to be paid to the volatility of the data as deteriorating statistics can quickly swing to become positive. Recovery in the developed markets might be expected to generate an export-led pick-up for these countries as well.

However, there are three significant factors that need to be overcome. The European debt crisis remains unresolved. Investors may not be currently focussing on it, but the imbalances remain and Germany is potentially less able to lead the region to a solution. Greece is expected to require a third bailout next year. It will not take much to remind investors of the risks. Secondly, there is the dichotomy between an improving outlook especially for the US and the associated reduction in stimulatory activity. We saw in June how fragile investor sentiment was when tapering was first mooted, before seeing the reverse in September when poorer than expected data led to the continuation of asset purchases and equity markets rose. Thirdly, the US debt crisis has not been resolved but merely postponed. The huge amount of dollar-denominated debt held by China and a number of other countries remains of concern.

Confidence plays a key role in any recovery. There are signs that this is increasing as evidenced by the pick-up in capital market activity. Given corporate balance sheets are in aggregate in good health we may begin to see signs of rising confidence from management teams. Indeed, businesses like Sage and Centrica both of which are held in the portfolio have been returning cash to investors. A further improvement in sentiment may see capital deployed for organic expansion or acquisitions. Subject to the generation of adequate returns, both would be expected to be positive for growth in profits and hence equity markets.

Your Manager will continue to invest in the kind of high quality companies that the Company currently owns. These are businesses that should be able to deliver growth in earnings and hence dividends through the economic cycle. They are supported by strong balance sheets that give them flexibility in difficult times and options when conditions are more favourable.

Anthony B. Davidson
Chairman
14 November 2013

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 Company'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 May 2015. 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 2013.

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 Company 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 IAS 34;

- 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 2013 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 2013

Investment Portfolio – Ordinary Shares

As at 30 September 2013

Company	Valuation 2013 £'000	Total portfolio %
Aberdeen Smaller Companies High Income Trust	7,509	8.7
Vodafone	3,663	4.3
Royal Dutch Shell 'A'	3,066	3.6
British American Tobacco	2,883	3.4
Centrica	2,843	3.3
GlaxoSmithKline	2,741	3.2
Prudential	2,486	2.9
HSBC Holdings	2,423	2.8
AstraZeneca	2,331	2.7
Unilever	2,220	2.6
Ten largest investments	**32,165**	**37.5**
Tesco	1,989	2.3
Close Brothers	1,987	2.3
BHP Billiton	1,920	2.2
BP	1,858	2.2
National Grid	1,848	2.2
Pearson	1,810	2.1
Chesnara	1,754	2.0
Cobham	1,503	1.8
Schroders	1,462	1.7
Land Securities	1,380	1.6
Twenty largest investments	**49,676**	**57.9**
GKN	1,352	1.6
Sage Group	1,302	1.5
Standard Chartered	1,289	1.5
Compass	1,275	1.5
Morrison (Wm.)	1,198	1.4
AMEC	1,171	1.4
Associated British Foods	1,126	1.3
Rolls Royce	1,068	1.2
Inmarsat	971	1.1
Provident Financial	966	1.1
Thirty largest investments	**61,394**	**71.5**
Weir Group	862	1.0
Experian	765	0.9
Wood Group (John)	722	0.8
BG Group	272	0.3
Total Ordinary shares	**64,015**	**74.5**

Investment Portfolio - Other Investments

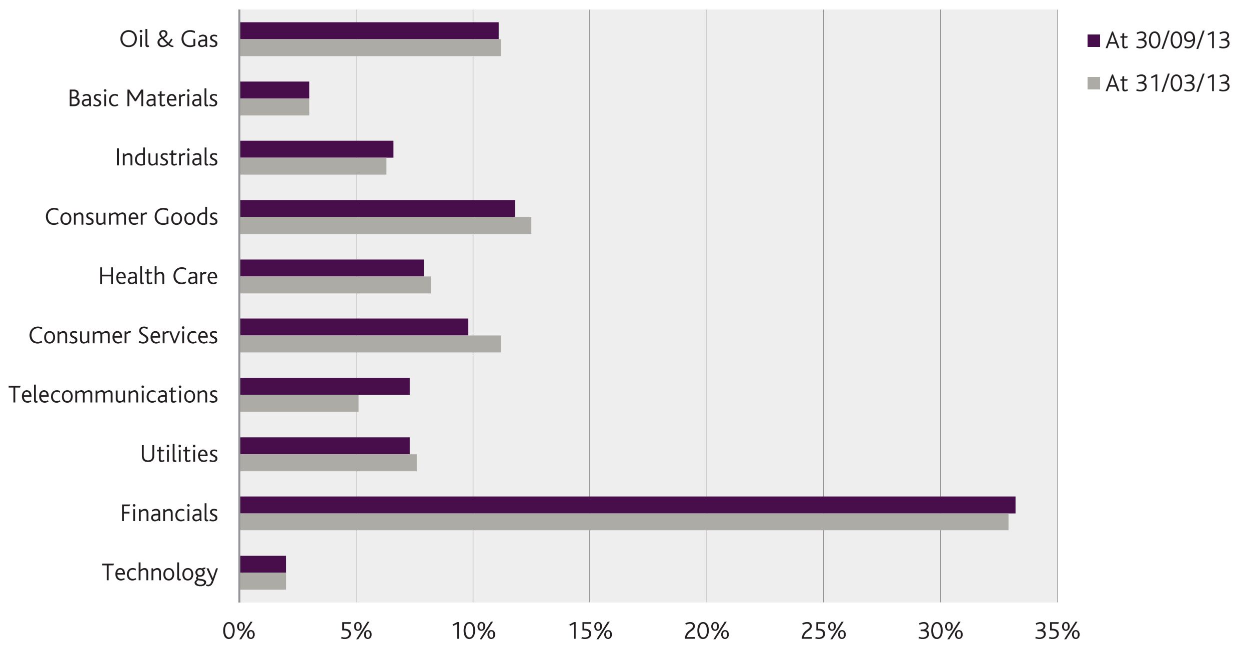
Company	Valuation 2013 £'000	Total portfolio %
Convertibles		
Premier Farnell 89.2p Cum Conv	764	0.9
Balfour Beatty Cum Conv 10.75%	558	0.6
Total Convertibles	1,322	1.5
Preference shares		
Ecclesiastical Insurance Office 8 5/8%	4,738	5.5
Royal & Sun Alliance 7 3/8%	4,654	5.4
General Accident 7.875%	3,761	4.4
Standard Chartered 8.25%	3,224	3.8
Santander 10.375%	3,073	3.6
REA Holdings 9%	1,106	1.3
Total Preference shares	**20,556**	**24.0**
Total other investments	**21,878**	**25.5**
Total investments	**85,893**	**100.0**

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

Distribution of Assets and Liabilities

	Valuation at 31 March 2013		Movement during the period				Valuation at 30 September 2013	
			Purchases	Sales	Other	Gains/ (losses)		
	£'000	%	£'000	£'000	£'000	£'000	£'000	%
Listed investments								
Ordinary shares	62,308	88.6	2,338	(2,575)	–	1,944	64,015	90.3
Convertibles	1,354	1.9	–	–	(5)	(27)	1,322	1.9
Preference shares	21,962	31.3	–	–	(42)	(1,364)	20,556	29.0
	85,624	121.8	2,338	(2,575)	(47)	553	85,893	121.2
Current assets	2,927	4.2					3,237	4.6
Current liabilities	(18,245)	(26.0)					(18,247)	(25.8)
Net assets	**70,306**	**100.0**					**70,883**	**100.0**
Net asset value per Ordinary share	**234.4p**						**236.3p**	

Analysis of Listed Equity Portfolio



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

Statement of Comprehensive Income

	Note	Six months ended 30 September 2013 (unaudited)			Six months ended 30 September 2012 (unaudited)			Year ended 31 March 2013 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments at fair value		–	553	553	–	2,582	2,582	–	12,795	12,795
Investment income										
Dividend income		1,876	–	1,876	1,737	–	1,737	3,248	–	3,248
Interest income from investments		286	(47)	239	290	(46)	244	578	(93)	485
Stock dividend		98	–	98	90	–	90	177	–	177
Traded option premiums		141	–	141	126	–	126	260	–	260
Money market interest		5	–	5	6	–	6	12	–	12
		2,406	506	2,912	2,249	2,536	4,785	4,275	12,702	16,977
Expenses										
Investment management fees		(90)	(90)	(180)	(79)	(79)	(158)	(165)	(165)	(330)
Other administrative expenses		(186)	–	(186)	(181)	–	(181)	(323)	–	(323)
Finance costs of borrowings		(84)	(84)	(168)	(91)	(91)	(182)	(176)	(176)	(352)
		(360)	(174)	(534)	(351)	(170)	(521)	(664)	(341)	(1,005)
Profit before tax		2,046	332	2,378	1,898	2,366	4,264	3,611	12,361	15,972
Taxation	2	(22)	22	–	(22)	22	–	(55)	55	–
Profit attributable to equity holders of the Company	3	**2,024**	**354**	**2,378**	**1,876**	**2,388**	**4,264**	**3,556**	**12,416**	**15,972**
Earnings per Ordinary share (pence)	4	**6.75**	**1.18**	**7.93**	**6.32**	**8.04**	**14.36**	**11.92**	**41.60**	**53.52**

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).

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.

Balance Sheet

	Note	As at 30 September 2013 (unaudited) £'000	As at 30 September 2012 (unaudited) £'000	As at 31 March 2013 (audited) £'000
Non-current assets				
Ordinary shares		64,015	52,307	62,308
Convertibles		1,322	1,316	1,354
Other fixed interest		20,556	20,244	21,962
Securities at fair value		85,893	73,867	85,624
Current assets				
Trade and other receivables		23	–	16
Accrued income and prepayments		797	851	937
Cash and cash equivalents		2,417	3,275	1,974
		3,237	4,126	2,927
Total assets		89,130	77,993	88,551
Current liabilities				
Trade and other payables		(247)	(227)	(245)
Short-term borrowings		(18,000)	(18,000)	(18,000)
		(18,247)	(18,227)	(18,245)
Net assets		**70,883**	**59,766**	**70,306**
Share capital and reserves attributable to equity holders				
Called-up share capital		15,049	14,899	15,049
Share premium account		19,308	18,840	19,308
Capital reserve	5	30,466	20,084	30,112
Revenue reserve		6,060	5,943	5,837
Equity shareholders' funds		**70,883**	**59,766**	**70,306**
Net asset value per Ordinary share (pence)		**236.30**	**201.25**	**234.37**

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

Statement of Changes in Equity

Six months ended 30 September 2013 (unaudited)

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2013		15,049	19,308	30,112	5,837	70,306
Revenue profit for the period		–	–	–	2,024	2,024
Capital profit for the period		–	–	354	–	354
Equity dividends	3	–	–	–	(1,801)	(1,801)
As at 30 September 2013		**15,049**	**19,308**	**30,466**	**6,060**	**70,883**

Six months ended 30 September 2012 (unaudited)

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2012		14,899	18,840	17,696	5,850	57,285
Revenue profit for the period		–	–	–	1,876	1,876
Capital profit for the period		–	–	2,388	–	2,388
Equity dividends	3	–	–	–	(1,783)	(1,783)
As at 30 September 2012		**14,899**	**18,840**	**20,084**	**5,943**	**59,766**

Year ended 31 March 2013 (audited)

	Note	Share capital £'000	Share premium account £'000	Capital reserve £'000	Retained revenue reserve £'000	Total £'000
As at 31 March 2012		14,899	18,840	17,696	5,850	57,285
Issue of own shares		150	468	–	–	618
Revenue profit for the year		–	–	–	3,556	3,556
Capital profit for the year		–	–	12,416	–	12,416
Equity dividends	3	–	–	–	(3,569)	(3,569)
As at 31 March 2013		**15,049**	**19,308**	**30,112**	**5,837**	**70,306**

Cash Flow Statement

	Six months ended 30 September 2013 (unaudited) £'000	Six months ended 30 September 2012 (unaudited) £'000	Year ended 31 March 2013 (audited) £'000
Cash flows from operating activities			
Investment income received	2,328	1,990	3,676
Money market interest received	5	7	12
Investment management fee paid	(180)	(156)	(320)
Other cash receipts	–	–	–
Other cash expenses	(201)	(157)	(278)
Cash generated from operations	1,952	1,684	3,090
Interest paid	(169)	(182)	(352)
Taxation	–	–	–
Net cash inflows from operating activities	1,783	1,502	2,738
Cash flows from investing activities			
Purchases of investments	(2,241)	(3,654)	(7,067)
Sales of investments	2,702	3,477	5,521
Net cash inflow/(outflow) from investing activities	461	(177)	(1,546)
Cash flows from financing activities			
Equity dividends paid	(1,801)	(1,783)	(3,569)
Net cash outflow from financing activities	(1,801)	(1,783)	(3,569)
Financing			
Share issue	–	–	618
Net cash inflow from financing	–	–	618
Net increase/(decrease) in cash and cash equivalents	443	(458)	(1,759)
Cash and cash equivalents at start of period	(16,026)	(14,267)	(14,267)
Cash and cash equivalents at end of period	**(15,583)**	**(14,725)**	**(16,026)**
Cash and cash equivalents comprise:			
Cash and cash equivalents	2,417	3,275	1,974
Short-term borrowings	(18,000)	(18,000)	(18,000)
	(15,583)	**(14,725)**	**(16,026)**

Notes to the Financial Statements

1. **Accounting policies**

   (a) **Basis of accounting**

   The 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 2013 financial statements, which received an unqualified audit report.

   (b) **Dividends payable**

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

2. **Taxation**

   The taxation expense reflected in the Statement of Comprehensive Income is calculated at a rate of 23%, which is based on management's best estimate of the weighted average annual corporation 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 2013 £'000	Six months ended 30 September 2012 £'000	Year ended 31 March 2013 £'000
Revenue	2,024	1,876	3,556
Dividends declared	(900)[A]	(891)[B]	(3,569)[C]
	1,124	**985**	**(13)**

[A] First interim dividend (3.00p) declared in respect of the financial year 2013/14.

[B] First interim dividend (3.00p) declared in respect of the financial year 2012/13.

[C] First three interim dividends (each 3.00p) and the final dividend (3.00p) declared in respect of the financial year 2012/13.

4. **Return and net asset value per share**	Six months ended 30 September 2013 £'000	Six months ended 30 September 2012 £'000	Year ended 31 March 2013 £'000
Returns are based on the following attributable assets:			
Revenue return	2,024	1,876	3,556
Capital return	354	2,388	12,416
Total return	**2,378**	**4,264**	**15,972**
Weighted average number of Ordinary shares in issue	**29,997,580**	**29,697,580**	**29,843,881**

The net asset value per Ordinary share is based on net assets attributable to Ordinary shareholders of £70,883,000 (30 September 2012 – £59,766,000; 31 March 2013 – £70,306,000) and on 29,997,580 (30 September 2012 – 29,697,580; 31 March 2013 – 29,997,580) Ordinary shares in issue at the period end.

5. **Capital reserve**

The capital reserve reflected in the Balance Sheet at 30 September 2013 includes gains of £14,001,000 (30 September 2012 – gains of £4,126,000; 31 March 2013 – gains of £14,068,000) 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 2013 £'000	Six months ended 30 September 2012 £'000	Year ended 31 March 2013 £'000
Purchases	12	21	39
Sales	4	3	5
	16	24	44

7. **Related party disclosures**

There were no related party transactions during the period.

8. **Commitments, contingencies and post Balance Sheet events**

At 30 September 2013 there were no contingent liabilities in respect of outstanding underwriting commitments or uncalled capital (30 September 2012 and 31 March 2013 – £nil).

9. 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 2013 and 30 September 2012 has not been audited.

The information for the year ended 31 March 2013 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.

10. This Half-Yearly Financial Report was approved by the Board on 14 November 2013.

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.

Suitable for Retail

The Company's shares are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who seek income and the potential for capital growth from investment in equity markets 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 so that the shares issued by Shires Income PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited ("Aberdeen") 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 Aberdeen 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 £11,520 in the Company can be made in the tax year 2013/2014.

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 in the Plan. 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 Aberdeen 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.

Company Information

If investors would like details of Dunedin Income Growth Investment Trust PLC or information on the Children's Plan, Share Plan, or ISA please telephone 0500 00 00 40 or write to Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex, CM99 2DB or e-mail at inv.trusts@aberdeen-asset.com. Details are also available on www.invtrusts.co.uk.

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

Keeping You Informed

The Company's share price also appears under the heading 'Investment Companies' in the Financial Times, and other national newspapers.

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.

Contact Details

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
Email: inv.trusts@aberdeen-asset.com

Alternatively, if you have an administrative query which relates to a certificated holding, please contact the Registrar, as follows:

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

Telephone: 0871 384 2508
Fax: 0871 342 2100
Shareview Enquiry Line: 0871 384 2233
Textel/hard of hearing: 0871 384 2255

(Calls to the above Equiniti number will be charged at 8 pence per minute plus network extras. Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday).

Tel International: (+44 121 415 7047)

Investor Warning

Aberdeen is aware that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided on 0500 00 00 40.

The above information 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.

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Stockbroker
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